

INCLUSIVE DEVELOPMENT IN AFRICA

TRANSFORMATION OF
GLOBAL RELATIONS



Vusi Gumedede (ed.)

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Inclusive Development in Africa

Transformation of Global Relations

Vusi Gumede (ed)



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Transformation of Global Relations

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It is a privilege for me to publish seasoned scholars I have looked up to for decades and emerging scholars I have mentored. It is an honour to have two former Directors of the UN African Institute for Economic Development Planning (IDEP) doing preliminaries: Samir Amin for writing the Preface and Adebayo Olukoshi for writing the Foreword. Lastly, I must thank the Thabo Mbeki Foundation and the University of South Africa for providing me space for academic endeavour.

Foreword

The study of African development remains one of the most important endeavours in contemporary social and humanistic research. The reasons for this are not too far-fetched: six decades since the first African countries won their liberation from colonial domination, development – of the type that delivers a progressive, sustained and sustainable transformation of lives and societies – easily remains the single most important challenge facing the peoples of the continent. That much is recognised by the continental Agenda 2063, adopted by African leaders under the auspices of the African Union as a statement of a collective resolve to turn the tables on persistent poverty and underdevelopment over the next two generations. Despite all of the recent outbursts of ‘Afro-euphoria’ summarised in the notion of ‘Africa Rising’ that was popularised by those who saw rich and quick pickings for global investors on the continent, it has been very clear that progress continues to be stymied by widespread poverty, growing inequality, massive youth unemployment, the continuing marginalisation of women, and severe deficits in domestic productivity, competitiveness, value addition, infrastructure and development planning.

This book represents a timely and important addition to the body of research that has been generated over the years on the ways in which international factors and actors adversely affect development prospects and outcomes in Africa. This is a concern that is long-standing among African scholars, going back to the dependency debates of the period from the 1950s to the end of the 1970s. The debates were carried into the 1980s and beyond, in the context of the multi-faceted intellectual and political contestations of the unidirectional market liberalisation agenda of the international financial institutions and an assortment of bilateral donors for the continent. Building on the intellectual heritage of the last six decades, the book underscores the position that without a radical redressing of the lopsided global order that has had cumulative negative effects on African countries over the years, Africa’s prospects of breaking out of underdevelopment will continue to suffer. This basic premise of the book carries numerous implications, including the continuing necessity for a reform of global economic governance in general, and the international finance institutions in particular. Doing this also broaches an issue that is increasingly exercising minds in Africa, namely, the nature and quality of leadership. Serial leadership failings in Africa have become the flip side of a hostile external environment and will merit increased attention.

This book, another instalment of Vusi Gumede's edited works on the political economy of Africa's development, adds to the positive imprints from his rich and varied experience in government as an adviser in the South African presidency during the Thabo Mbeki years, and the role he played in his technical capacity in the early beginnings of the New Partnership for Africa's Development. One of the gaps which still need to be filled in Africa is the gulf that separates researchers and policymakers. In blending policy questions into the research issues covered in the different chapters, the book offers us a double bonus of rigorous scholarly analyses embedded in contemporary African development policy concerns. It is equally impressive that younger and upcoming scholars are offered a crucial space to share their perspectives on the problems and prospects of a continent that is commonly referred to as the most youthful in the world on account of its demographic composition. Taken together with the conscious effort made to promote a multi-disciplinary dialogue, the book easily commends itself as compulsory reading for students, officials and activists interested in emerging new directions in African development thinking and research.

Adebayo Olukoshi
Addis Ababa, Ethiopia
November 2017

From Bandung (1955) to the Great Recession

Old and new challenges for the States, the Nations and the Peoples of Africa

Samir Amin

INTRODUCTION

The 1955 Conference of Bandung declared the will of the Asian and African nations to reconquer their sovereignty and complete their independence through a process of authentic, independent and consistent development to the benefit of all labouring classes. In 1955, most of the Asian and Middle East countries had reconquered their sovereignty in the aftermath of World War II, while movements of liberation were in struggle elsewhere – in Africa in particular – to achieve that goal.

As recalled by the leaders of Bandung, the conference was the first international meeting of non-European (so-called coloured) nations whose rights had been denied by the historical colonialism/imperialism of Europe, the United States (US) and Japan. In spite of the differences in size, cultural and religious backgrounds and historical trajectories, the so-called non-European nations together rejected the pattern of colonial and semi-colonial globalisation that the Western powers had built to their exclusive benefit. But Bandung also declared the will of Asian and African nations to complete the reconquest of their sovereignty by moving into a process of authentic and accelerated inward-looking development, which is the condition for their participating in the shaping of the world system on equal footing with the states of the historic imperialist centres.

The timeless conference brought together countries which had made different choices with respect to the ways and means to achieve their developmental targets. Some (e.g. China, North Vietnam and North Korea) had chosen what they named the socialist road, inspired by Marxism. Others conceived national and popular specific ways combined with social progressive reforms (what could be named national/popular projects). Soekarno's Indonesia, Nehru's India, Nasser's Egypt and later many other countries are examples. All these countries gave priority to the diversification and industrialisation of their economies, moving out of their confinement to remain producers/exporters of agricultural and mining commodities. All of them considered that the state had to assume a major responsibility in the control

of the process. They also considered that their targets (in particular their moving into the industrial era) could eventually conflict with the dominant logics of the global system; but that they were in a position which allowed them to successfully compel the global system to adjust to their demands. Yet a number of countries which joined the Non-Aligned Movement (NAM) did not adopt a definitive position with respect to what needed to be done, and considered possibly pursuing development in the frame of the deployment of the global system.

What ought to be recalled is that all the countries of Africa and Asia benefited from the very existence of NAM, whatever had been their choices. The political solidarity initiated by Bandung paid in various ways. A country like Gabon, for instance, would not have been able to capture a good part of the oil rent if the Organisation of the Petroleum Exporting Countries (OPEC) and NAM had not made it possible. The stress was, therefore, put on that political solidarity and NAM countries supported unanimously the struggles (including armed struggles) of the peoples of remaining colonies (Portuguese colonies and Zimbabwe), and against apartheid in South Africa and occupied Palestine.

The history of NAM until the 1980s has been the history of internal political and social struggles within each country precisely around the axis as defined above: what is an alternative, efficient strategy for meaningful political, social and economic development? These struggles combined with the conflicts operating in the international arena, mainly the East/West conflict. Yet, in no way should the initiatives taken in Bandung and their deployment by NAM be considered a misadventure of the Cold War, as presented by the Western media, yesterday and today. The Soviet Union sided with NAM and, to various degrees, supported the struggles conducted in Africa and Asia, particularly in response to the Western economic and, sometimes, military aggressions. The reason for that is simply that the Soviet Union and China were also excluded from the eventual benefit of participating in a truly balanced, pluricentric pattern of global system.

In contrast, the Western powers fought NAM by all means. Therefore, the view expressed by the Western media that NAM had lost its meaning with the end of the Cold War, the breakdown of the Soviet Union in 1990 and the move of China out of the Maoist road, is meaningless: the challenge that unequal globalisation represents remains. Bandung and NAM were fought by the imperialist countries. Coups d'état were organised by local reactionary forces, supported by foreign interventions that put an end to a number of Bandung-inspired state systems and national popular experiences (in Indonesia, Egypt, Mali, Ghana and many other countries). The growing

internal contradictions specific to the concept of historical soviet and Maoist socialisms, as well as the contradictions specific to each of the various national popular experiences, prepared the ground for the counteroffensive of the imperialist triad.

The achievements during the Bandung and NAM era have been tremendous and historically positive, whatever have been their limits and shortcomings. The view that Bandung failed, as expressed in the Western media, is simply nonsense. Yet what ought to be said in this respect is that Bandung and NAM's systems, in spite of their achievements, were not able to move beyond their limits and therefore gradually lost breath, eroded and finally lost their content.

A WORLD WITHOUT BANDUNG AND NAM

In Algiers in 1974, NAM formulated a consistent and reasonable programme (the New International Economic Order) that invited the countries of the North to adjust to the needs requested for the pursuing of the development in the South. These proposals were entirely rejected by the Western powers. The targets of the counteroffensive of the imperialist triad were formulated in 1981 at the Cancún Group of 7 countries (G7) meeting. The G7 was for unilateral structural adjustments, dismantling of the national production systems, privatisations and opening to financial plunder and pillage of natural resources (i.e. the Washington consensus).

There is no need to recall the tragic consequences associated with the deployment of the new imperialist global order for the societies of Africa, Asia and Latin America: on the one hand, the super exploitation of cheap labour in delocalised industries, controlled by multinationals and subcontracting locally-owned industries and services; on the other hand, the plunder of the local natural resources to the exclusive benefit of maintaining affluence and waste in the societies of the North. These resources do not consist only of oil, gas and minerals, but increasingly include agricultural land (land grabbing, as the works of the late Sam Moyo demonstrated), forests, water, the atmosphere and the sun. In that respect, as some chapters in this volume show, the ecological dimension of the challenge has now come to the forefront. Such a pattern of lumpen development has generated a dramatic social disaster: growing poverty and exclusion, the transfer of the rural dispossessed to shanty towns and miserable informal survival activities, unemployment, particularly of youth, oppression of women, etc. National consistent production systems, which had begun to be constructed

in the Bandung era, are systematically dismantled, and embryos of reasonable public services (i.e. health, education, housing, transport) destroyed.

Protest against these miseries is not enough. The processes which have created these digressions need to be understood, and no efficient response to the challenge can be formulated without a rigorous analysis of the transformations of capitalism in the centres of the system (i.e. the processes of concentration of capital and centralisation of its control, and essentially the process of financialisation, as some essays discuss in this volume). In such circumstances, the conventional means of measuring development have lost meaning: a society stricken by this pattern of lumpen development can still, in some cases, enjoy high rates of growth, based on the plunder of resources associated with a trickle-down effect restricted to the enrichment of a small minority. Simultaneously, the centralised control of the production system by financialised monopoly capital has resulted in the control of political life by oligarchies – annihilating the meaning of representative democracy.

Yet, in the frame of that global disaster, some societies of the South have been able to take advantage of the new global order of deepened globalisation, and even seem to be emerging in that frame as successful exporters of manufactured goods. These successes, in turn, feed the illusion that such a process, respectful of the fundamentals of capitalist accumulation and globalised markets, can be maintained. An analysis of the growing conflicts between these successful emerging economies and the imperialist triad (over the access to natural resources in particular) needs to be considered, as well as an analysis of the internal imbalances associated with these processes. It is, therefore, very fitting that some essays in this volume deal with pertinent issues.

The social disaster referred to above produces a no less dramatic political disaster. NAM had succeeded in the past to maintain a degree of polycentrism in the management of international politics, which has been destroyed by globalised neoliberalism. The legitimacy of the international community represented by the United Nations (UN), NAM and the Group of 77 (G77) plus China has been abolished, to the benefit of a self-appointed, so-called ‘international community’ restricted to the G7 and a small number of selected ‘friends’ (in particular Saudi Arabia and Qatar, not exactly models of democratic republics!). Financial, economic and, eventually, military interventions are orchestrated by this so-called ‘international community’, denying again the sovereign rights of all the peoples of Africa, Asia and Latin America.

CONCLUSION

The first wave of revival of the states and nations of Africa and Asia, which shaped major changes in the history of humankind, organised itself in the Bandung spirit in the frame of countries non-aligned on colonialism and neocolonialism, the pattern of globalisation at that time. Now, the same nations, as well as those of Latin America and the Caribbean,¹ are challenged by neoliberal globalisation, which is no less imbalanced by nature. Therefore, they must unite to face the challenge successfully, as they did in the past. They will, in that perspective, feed a new wave of revival and progress of the three continents. The Great Recession that the whole world is struggling to come out of is essentially an outcome of neoliberal globalisation, as many essays in this volume opine.

The axis around which the states and nations of the three continents (i.e. Africa, Asia and Latin America) should organise their solidarity in struggle can be formulated as building a common front against neoliberal, unbalanced, imperialist globalisation, as some essays in this volume recommend. We have seen that the states which met in Bandung hold different views with respect to the ways and means to defeat imperialist domination and advance in the construction of their societies; yet they were able to overcome those differences in order to face the common challenge successfully. The same applies today: ruling powers in the three continents, as well as popular movements in struggle, differ to a wide extent on the ways and means to face the renewed same challenge.

In some countries, 'sovereign' projects are developed which relate to active state policies aimed at constructing systematically a national, integrated, consistent, modern industrial production system, supported by an aggressive export capacity. Views with respect to the degree, format and eventual regulation of opening to foreign capital and financial flows of all kinds (e.g. foreign direct investments, portfolio investments and speculative financial investments) differ from country to country, and from time to time. Policies pursued with respect to the access to land and other natural resources also offer a wide spectrum of different choices and priorities.

We find similar differences in the programmes and actions of popular movements in struggle against the power systems in office. Priorities cover a wide spectrum: democratic rights, social rights, ecological care, gender, economic policies, access of peasants to land, etc. In a few cases, attempts are made to bring together those different demands into a common strategic plan of action. In most cases, little has been achieved in that regard. Such a wide variety of situations and attitudes does create problems for all

and may even generate conflicts between states and/or between partners in struggle. Therefore, as part of the global struggle for justice, the analysis of the global dynamics and their implications for Africa in particular is a useful step in the direction that could lead to an 'alternative social project'.

NOTES AND REFERENCES

- 1 NAM united together nations of Africa and Asia only. States of Latin America, with the exception of Cuba, abstained from joining the organisation. Reasons for that failure have been recorded: 1) Latin American countries were formally independent since the beginning of the nineteenth century and did not share the struggles of Asian and African nations to reconquer their sovereignty; 2) the US domination of the continent through the Monroe doctrine was not challenged by any of the state powers in office (except Cuba); the Organisation of American States included the master (i.e. the US) and, for that reason, was qualified by Cuba as 'the Ministry of Colonies of the US'; 3) the ruling classes, of 'European extract', looked at Europe and the US as models to be copied. For those reasons the attempt to build a 'tricontinental' did not succeed: it was joined only by movements in struggle (often armed struggle), but rejected by all state powers at that time. That has changed.

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Abbreviations and acronyms

9/11	11 September 2001 terrorist attack on the US
ACP	African, Caribbean and Pacific countries
ACEP	Africa Centre for Energy Policy
AEO	African Economic Outlook
AfDB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
AISA	Africa Institute of South Africa
AT	Abuja Treaty
AU	African Union
BEE	Black Economic Empowerment
BITs	bilateral investment treaties
BNS	basic needs strategies
BRIC	Brazil, Russia, India and China
BRICS	Brazil, Russia, India, China and South Africa
CIPEC	Intergovernmental Council of Countries Exporters of Copper
CODESRIA	Council for the Development of Social Science Research in Africa
COMESA	Common Market for Eastern and Southern Africa
CRA	Contingent Reserve Arrangement
DMS	development merchant system
DRC	Democratic Republic of the Congo
ECA	Economic Commission for Africa
ECOSOC	UN Economic and Social Council
ECOWAS	Economic Community of West African States
EPAs	Economic Partnership Agreements
EU	European Union
Exim Bank	Export–Import Bank
FAO	Food and Agriculture Organisation of the United Nations
FDI	foreign direct investment
FOC	foreign oil company
FOCAC	Forum on China–Africa Cooperation
FTA	Free Trade Area
FTOS-Gh	Fair-Trade Oil Share–Ghana
FTLRP	fast-track land reform programme
G7	Group of Seven
G8	Group of Eight
G20	Group of 20

G77	Group of 77
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GIGS	Ghana Institute of Governance and Security
GNP	gross national product
GNPC	Ghana National Petroleum Corporation
ha	hectare(s)
HDI	Human Development Index
IFI	international financial institution
IFR	infrastructure-for-resources
ILO	International Labour Organisation
IMF	International Monetary Fund
IPAs	investment promotion agencies
km	kilometre
LCP	local content policy
LDCs	least-developed countries
LPA	Lagos Plan of Action
LSCF	large-scale commercial farming
MCC	Millennium Challenge Corporation
MDGs	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
MMBtu	million British thermal units
MNC	multinational company/corporation
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organisation
NDB	New Development Bank
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organisation
NIEO	New International Economic Order
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of the Petroleum Exporting Countries
PoA	Programme of Action
PRC	People's Republic of China
R2P	Right to Protect
RCT	rational choice theory
RFI	resources-for-infrastructure
SADC	Southern African Development Community
SAP	structural adjustment programme

SDGs	Sustainable Development Goals
SMEs	small and medium-sized enterprises
SOE	state-owned enterprise
SSA	sub-Saharan Africa
STG	Strategic Thought Group
TIP	Trade and Investment Partnership Agreement
TNC	transnational corporation
ToT	transfer of technology
TRIMs	Agreement on Trade-Related Investment Measures
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
TTIP	Trade and Investment Partnership
UEMOA	West African Economic and Monetary Union
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Fund
UN-ODCCP	United Nations Office for Drug Control and Crime Prevention
US	United States of America
USSR	Union of Soviet Socialist Republics
VAT	value-added tax
WB	World Bank
WFP	World Food Programme of the United Nations
WTO	World Trade Organisation

Introduction

Towards Inclusive Development in Africa

Vusi Gumedde

The world we live in is not only volatile and uncertain, it appears to be increasingly becoming – if it is not already – a dangerous place. It is in this context that the dominant paradigm, which is based on the hegemony of neoliberal perspectives that have shaped development or caused under-development and is informed by accumulation by dispossession,¹ is being challenged. Capitalism, or monopoly capitalism to be specific to the current conjuncture, benefits a few at the expense of the many. The predominance of the United States of America (US) and European countries has maintained the peripheralisation of the global south.

This has added insult to injury – the ramifications of the many centuries of brutal enslavement, colonialism, imperialism, plunder and the exploitation of the global south, and Africa in particular, have been followed by further plunder, imperialism and coloniality. The skewed distribution of power, globally, has ensured that the interests of the so-called developed countries trump effective and inclusive development in the global south. The world disorder that is in place has to change. Global relations should be transformed. A just world must be made a reality.

Until the ‘Great Recession’ that began as a global financial crisis around 2007, there has not been a socio-economic and political event that has lasted for as many years, and with as huge a negative impact on development, as the Great Depression of the 1930s. In 2007, the collapse of the sub-prime mortgage market in the US and the reversal of the housing boom in other industrialised economies triggered a financial crisis that spilled over to the rest of the world (as many contributions discuss in this volume). Since then, policy makers around the world have been trying to formulate solutions to the problems into which the financial industry in particular, and the global economy in general, have plunged.

Before the Great Recession, many countries in sub-Saharan Africa (SSA) enjoyed robust economic growth.³ According to the international financial institutions, and particularly the African Development Bank (AfDB),⁴ sound economic policies played an important role, in addition to the favourable external environment and increased external support in the form of debt relief and higher inflows of Foreign Direct Investment (FDI). Despite having relatively weaker linkages to the global financial markets, African

economies have not been immune to the financial havoc – even the South African economy, contrary to some arguments, has been affected. In addition, as the International Monetary Fund (IMF)⁵ puts it, the global financial crisis greatly compounded the policy challenges confronting the continent of Africa as it strived to consolidate its economic gains and meet the Millennium Development Goals (MDGs). The MDGs were replaced by Sustainable Development Goals (SDGs) in September 2015.

The global financial crisis has affected African economies in a variety of ways. Among other things, due to the plummeting of prices and the decline in the demand for their commodities, many countries in Africa have experienced a dramatic drop in primary commodity exports. The private capital flows to the nascent African financial markets, largely consisting of FDI, slowed to a trickle, thereby hampering economies that had been relying on these flows to finance new infrastructure and natural resource projects.⁶ This is over and above the ongoing huge illicit financial flows.

This book interrogates the dynamics of global relations for a just world as pursuit or quest for inclusive development in Africa. The chapters cover the following areas: changing imperatives of international development; emerging powers and impact on international development; the reform of international finance institutions; and the growth-development nexus debates, as well as varied implications for Africa emanating from global economic crises. In addition, some chapters analyse the origins, contexts, complexities and contradictions of the lopsided global order and their effects on development and implications for Africa's development. In particular, as indicated above, implications of the global crises (the Great Recession more specifically) on African economies, in the pursuit of inclusive development in Africa and the world at large, are examined. Among other factors, the capitalist economic system – in which the economic crises are immanent – has become so entrenched that many people find themselves embracing that which does not work for them and the rest of global human society. As argued elsewhere, 'social processes associated with the capitalist economic system are [were] to blame for the slow progress that Africa experienced'.⁷

Without a doubt, the global order that has existed since the end of World War II has been marked by high levels of inequality, poverty, misery, environmental degradation, diseases, hunger and pervasive injustice. These trajectories have been informed and reinforced by power asymmetry between the global north and the global south, with the former clinging tenaciously to the privileges and power that they derived through colonialism, imperialism, neo-colonialism and, now, coloniality.

The globalisation processes have been defined by the logic of the market, free trade and deregulation, thus leading to the primacy of capital and its hegemony over all the other factors of production. An increasing feature of global capitalism is financialisation, which involves the development of sophisticated financial tricks such as shares, bonds, mutual funds, certificates of deposits, equities, derivatives, toxic assets and so on issued by various banks, financial institutions, stock brokerages, insurance providers, credit rating agencies and government-sponsored profiteering entities. While these products have increased the volume and velocity of money in circulation, they have served to further global inequalities, within and between countries, through the payment of bonuses and benefits to corporate executives who constitute the top one per cent of global income earners.

The contradictions inherent in global capitalism have led to several cyclical crises, which are altering the balance of economic power in favour of the global south, paradoxically. The shift in geography of power from the north to the south calls for new debates on how global relations and social processes can be transformed to ensure comprehensive justice. This becomes more pertinent in view of the democratic deficits that still characterise the global governance architecture in a supposedly multipolar world, especially on issues of trade, finance, environment, security and development in general.

Within the context of Africa and/or Africa's development, a number of questions remain unanswered. One of the fundamental questions confronting us is: why has the African continent remained behind other continents, particularly in terms of human development and/or wellbeing? I think the starting point in an attempt to address this fundamental question of Africa's development or Africans in general is that the various unpleasant experiences of slave trade, colonialism, imperialism and neo-colonialism have combined to condition the mind of Africans to feel inferior and seemingly incapable of creative endeavour.

This is not to say that such experiences must be the primary preoccupation and should constrain the ability to determine Africa's desired destiny. As Karl Polanyi⁸ argues, experiences of slavery dehumanise and disempower the victims, even to succeeding generations. Frantz Fanon⁹ has more to say about this.¹⁰ As many have argued, the totality of the historical experience of the African continent and peoples of African descent should be taken into account when dealing with the challenges and solutions pertaining to the further renewal of the African continent, and for the advancement of the well-being of Africans wherever they are.¹¹ Pakiso Tondi¹² puts it aptly that 'European imperialists employed various strategies that were all

intended to depersonalise and empty [us]...' We must indeed reclaim our tempered or damaged souls, as Ama Mazama would put it. Stated differently, Africans and those of African descent should retrieve lost glory and reclaim stolen legacy. As argued elsewhere, the thorough understanding of African histories and detailed immersion in the African archive should facilitate processes towards recovering the stolen legacy and reclaiming the lost glory.

Among the fundamental constraints to Africa's development is the lack of appropriate policies, which, as Gumede explains,¹³ is also associated with poor reforms. Thandika Mkandawire, in the context of Africa as a whole, has argued that there is indeed a challenge of policies, especially social policies.¹⁴ Samir Amin,¹⁵ on the other hand, has been explaining what kind of development model could work better for Africa (and the world at large). Indeed, there have been various attempts to come up with 'home-grown' development approaches. Adebayo Adedeji, for instance, has discussed the various strategies and plans that Africa crafted, which have unfortunately been compromised by what he has termed the Development Merchant System¹⁶ – a deliberate design by the global capitalist order to perpetuate a socio-economic and political system that advances the interests of the West and maintains the peripheralisation of the African continent. Adekeye Adebajo attributes, convincingly, the challenges confronting Africa to the 'curse of Berlin' and the 'bondage of boundaries'.¹⁷ Claude Ake, among others, demonstrated the constraints imposed by the development approach that Africa followed.¹⁸ Indeed, the debate about what has limited development in Africa continues: the most recent appraisal by Thandika Mkandawire of various perspectives that have claimed to identify the 'African problem' is a case in point.¹⁹

As hinted above, the central concern for the further development of the African continent has to do with the socio-economic development approach pursued so far, largely because the approaches for advancing development that have been employed in Africa have mostly been borrowed elsewhere.²⁰ As the opening paragraph of this introduction indicates, the dominant approach is the neoliberal economic agenda or dogma, which is mainly based on a market fundamentalism which has been prone to crises – the recent case being the ongoing global economic recession – and which perpetuates and accentuates inequalities. Therefore, Africa needs its own socio-economic development approach, informed by a new vision for the African economy. I have described the new approach, or philosophical framework, for socio-economic development in Africa as an African Economic Renaissance,²¹ and have proposed that the following should be the main aspects

of an alternative model: robust social policies, effective industrial policies, entrepreneurship, state ownership and (lastly) intra-African trade.²²

Arguably, it would be important to look back, perhaps through the works of Walter Rodney, Cheikh Anta Diop, Samir Amin and Paul Tiyambe Zeleza, among others, to study how Africa was socially and economically organised before colonisation or colonialism. Adebajo²³ puts it, interestingly, that ‘in order to understand contemporary events and for a better future one must inevitably understand the past’. The early African economy was characterised by what has been described as communalism, not communism. According to Rodney, communalism refers to a way of life, philosophy and/or approach where production is done in common and shared equally.²⁴ Amin²⁵ characterised such an economy as pre-mercantilist.

Ayi Kwei Armah, Chinweizu Ibekwe and Valentine Mudimbe, among others, have made a case against borrowing foreign notions such as communism or Marxism. Partly because of that, and also taking into account Africa’s historical experience, I have argued elsewhere for revisiting the economic philosophy that guided economic relations before colonisation and colonialism. It might very well be that there are insights that can be distilled in what Samir Amin calls the pre-mercantilist era. More work needs to be done regarding the broad economic philosophy and aspects of a socio-economic development approach that ensures inclusive development in Africa.

It is probably necessary to indicate that, when arguing about ‘going back’, I am not suggesting that we should go back in order to replicate exactly what was done many centuries ago, because contextual nuances such as the reality of globalisation must be factored in. Indeed, there is a need for thinking innovatively rather than trying to copy what other countries do. Many countries on the African continent are increasingly copying, or trying to copy, the Chinese social and economic development model. Arguably, replicating the Chinese model would not work well for the African continent for many reasons, chief among them the reality that the contexts are different.

There are also many social problems on the African continent. Some of these are, of course, common all over the world. However, Africa has many civil wars that are avoidable, and generally a serious problem regarding conflict and a lack of peace. It is hard to develop society in such conditions. Some scholars have written about this, modelling the role of conflict to economic development. One cannot possibly develop society effectively while there is conflict. Education is also a challenge, despite large investments in educational sectors on the African continent. The outcomes remain a challenge in terms of skills development, level and quality of education.

Take South Africa, for instance, where there is a large number of graduates that are unemployed.

There are also challenges that relate to institutions and political systems on the African continent. Moreover, there is always some kind of external influence or interference with regard to economic development in Africa, as the works of Thandika Mkandawire and Adebayo Adedeji, among others, have shown. Libya is generally used as a recent example of this issue, where the African continent was not given sufficient opportunity to resolve the crisis in the country. Instead, external role-players came in and worsened the crisis. There is a bigger problem now in the Sahel, all the way down to Nigeria and other parts of that region. Some people argue that the reason Boko Haram seems so prominent now can be linked to what has happened in Libya – for instance, a complete breakdown of society and the ease with which arms flow across the Sahel region, coupled with problems in Mali and other areas.

More fundamentally, as indicated earlier, the African continent remains at the periphery, to use Issa Shivji's formulation,²⁶ largely because of the global power distribution. The manner in which economic power, social power, political power and otherwise are distributed keeps the African continent at the bottom. As also mentioned earlier, Adebayo Adedeji has characterised the mechanism that keeps Africa at the bottom as the *Development Merchant System*. So, the manner in which power is distributed globally is a big challenge.

The notion of the *Colonial Matrices of Power* that decolonial scholars (see for instance Sabelo Ndlovu-Gatsheni in this volume) have advanced speaks to a structure which ensures that the global south broadly remains at the bottom and the West at the top. It is also in this context that we should always treat Western narratives about Africa with circumspection. As Achille Mbembé²⁷ puts it, 'narrative about Africa is always pretext for a comment about something else, some other place, some other people ... Africa is the mediation that enables the West to accede to its own subconscious and give a public account of its subjectivity.' Therefore, we must interrogate narratives such as that of 'Africa rising', which is essentially a narrative of the West and its allies.

This book is made up of three parts (and most of the chapters were previously published as journal papers). Part one deals with broader issues, problematising Africa's development in the context of the obtaining of global power dynamics, and examining the implications of the Great Recession for women or gender broadly and the land as well as the agrarian question. The second part contains chapters that deal with selected country cases

and the relations between Africa and some countries, as well as groupings such as the Group of 77 and BRICS (Brazil, Russia, India, China and South Africa). The third part concludes with chapters that look ahead and propose a way forward.

Part one opens with a chapter by Sabelo Ndlovu-Gatsheni addressing the question of how Africa was conceived as an *idea* and integrated into the evolving Euro-North American-centric modernity. He categorises and describes genealogies of coloniality in the eight broad and overlapping epochs in the production of Africa that impinged on Africa's development in various direct and indirect ways. The eight epochs are: the *paradigm of discovery and mercantilist order* running from the fifteenth century to the eighteenth century and dominated by the slave trade and mercantilism; the *post-1648 Westphalian order* that inaugurated the exclusion of Africa from sovereignty; the *1884/1885 Berlin consensus, scramble for and conquest of Africa* that concretised the dismemberment and fragmentation of the continent; the *colonial governmentality* of the production of African colonial subjectivity; the *post-1945 United Nations decolonisation normative order* that amounted to the accommodation of Africa into the lowest echelons of the modern world system; the *Cold War coloniality* that polarised Africa ideologically and reduced it to a theatre of proxy hot wars; the *post-Cold War triumphalism of neoliberal order* that Francis Fukuyama articulated in 1992 as 'the end of history and the last man'; the *post-9/11 anti-terrorist and securitisation order*; and the current *coloniality of markets and new scramble for Africa*. Ndlovu-Gatsheni argues that Africa is still today struggling to free itself from the constraining global colonial matrices of power in place since the time of colonial encounters.

Then follows a chapter by Theresa Moyo examining the impact of global economic recessions on Africa's economic performance. The chapter explores sustainable long-term strategies that could reduce the vulnerability of African economies to similar recessions in future. It starts by reviewing the theoretical perspectives which explain the causes of global recession and how to prevent them; secondly, it examines the evidence on the effectiveness of the dominant responses to such crises; and lastly it identifies feasible and sustainable long-term strategies to minimise negative impacts in future. This is achieved by applying a qualitative research methodology based on the review and analysis of secondary information. According to Moyo, a review of the literature shows that the recent (or rather ongoing) global financial and economic crisis caused serious setbacks to Africa's economic momentum. This resulted in the plummeting of the growth rate of most countries, with recovery having been disappointing. The worst

affected were the commodity-exporting countries, particularly oil exporters, because of declining prices.

Moyo also discusses the different and competing theoretical frameworks relating to the causes of and remedial actions for global economic recessions. The first is the neoliberal approach, which is based on the supremacy of the markets as a mechanism for the efficient allocation of resources. This approach is also known as mainstream, conventional, traditional or orthodox economics. This is embodied in the classical economics of Adam Smith, who coined the notion of the invisible hand of supply and demand, which is supposed to ensure that the market is always moving towards equilibrium. The second is the Keynesian perspective, which advocates that governments should intervene in the economy during times of economic depression to stimulate aggregate demand through fiscal and monetary measures. The third is the political economy perspective, which incorporates the traditional Marxist school of thought based on Karl Marx's views that contradictions and conflicts are inherent in a capitalist system. This framework also comprises the dependency theories associated with Andre Gunder Frank and new democratic Marxist perspectives associated with Samir Amin.

The chapter arrives at the conclusion that the traditional market-based approaches do not adequately explain the primary causes of global recessions, and that the dominant counter-cyclical Keynesian-type fiscal and monetary policies that characterised the responses of many African countries do not actually provide a permanent solution to the problem. Moyo argues that African countries should prioritise and adopt more sustainable and transformative long-term strategies. These should centre on reducing wealth and income inequality; the rapid implementation of the continent's structural transformation and industrialisation agenda; the promotion of intra-African trade; intensification of the diversification drive, both in terms of products and markets; massive investments in technical and other skills needed for industry and trade development; and tapping emerging opportunities through South-South cooperation.

Then Akhona Nkenkana's chapter, which essentially adapts the broad theoretical framework provided in Ndlovu-Gatsheni's chapter, examines gender transformation in the context of transformation of global relations for a just world. Applying a decolonial perspective, Nkenkana analyses gender transformation instruments and the narratives about gender empowerment as far as genuine gender transformation is concerned. Her point of departure is that the 'modern' world system and its global order have remained fundamentally patriarchal. She argues that the liberation of women must not be about the incorporation of women within the patriarchal system. For

Nkenkana, decolonising gender, distilling from Maria Lugones' theoretical framework, is to enact a critique of racialised, colonial and capitalist heterosexualist gender oppression as a lived transformation of the social. As she argues, 'we should be able to understand that the instrumentality of the colonial/modern gender system is subjecting both men and women of colour in all domains of existence and therefore allows us to reveal that the gender transformation discourse is not just a women's emancipation discourse, but rather efforts of both men and women to overcoming the colonial global structure that is subjectifying in different ways'. Therefore, the change of the system and its structures, which are essentially patriarchal, is the main mechanism that will bring about possible equal futures for women in Africa, as her case studies of Rwanda and South Africa show.

In more or less the same vein, Dikeledi Mokoena reminds us that macro-economic interventions to economic and financial crises are gendered and have skewed dividends for women. She argues that the modern/colonial gender order sustains and reproduces the marginal position women (effectively along the same lines of Nkenkana's argument). Mokoena offers a reading of crises from Aní Marimba's African-centred critique of European civilisation to highlight the ideological roots of capitalist crisis and gender inequality. The chapter invokes an Aimé Césairean question which invites us to consider what crisis fundamentally constitutes in order to help us offer 'sustainable solutions' to the challenges of inequality at multiple levels. This approach extends our understanding of the crises of our contemporary world, to a crisis that precedes coloniality and came into existence at the advent of modernity. Mokoena does this by locating the crisis of modernity in Eurocentrism rooted in the founding philosophies of European civilisation. She explains that the universalised European philosophies of life shape today's world, including the 'spirit' that drives capitalism and its never-ending ethos of endless accumulation.

Mokoena makes a case that within the confines of a modern/colonial capitalist system, any effort towards inclusive development and a just world for women, especially women of African descent, will fail. As she puts it, however, this does not mean that the progress made towards improving the quality of life for many of the world's populations, including the feminist progress made in terms of disrupting the capitalist system and the empowerment of women, is taken for granted. She urges us to acknowledge the limitations of these interventions, and throughout the chapter there is a sense of discouragement of any reforms. Instead, a complete overhaul of the current civilisation culture and modern/colonial capitalist system facilitated

through neoliberalism is advanced, because it is the main answer to re-dressing gender inequalities.

Part one closes with a chapter by Walter Chambati, Freedom Mazwi and Steven Mberi examining land and agrarian issues as far as the Great Recession is concerned. It is important that land and agrarian issues are examined in detail, because global economic recessions have devastating impacts on the livelihoods of the many in Africa, or in the global south broadly. Chambati and his co-authors highlight that, indeed, the Great Recession exacerbated the existing inequalities, poverty, hunger and injustices on the African populace, which had historically been marginalised. The chapter examines the responses by foreign Western governments and multinational companies (MNCs) to the Great Recession and its wider ramifications on Africa's agrarian structures, as well as the socio-economic well-being of the African peasantry. The chapter observes that, apart from triggering the penetration of capital to peripheral states, the Great Recession has led to a shift in Africa's agrarian structures from bi-modal to tri-modal in most African states and increased land concentration by domestic and foreign elites. This has been promoted by a deliberate policy shift by African governments to foster large-scale investments largely viewed as a panacea to the continent's food security and foreign exchange challenges.

The main argument advanced in the chapter is that land dispossession has resulted in increased landlessness among peasants in sub-Saharan Africa (SSA,) and therefore an inability to meet their social reproduction needs, including food and other social requirements. Contract farming is slowly being used as an alternative to land grabs by big corporations in an attempt to counter the growing peasant resistance to land grabs by appearing inclusive. While contract farming has a long history in Africa, dating back to the early years of independence, this chapter demonstrates that the model has received fresh impetus from the capitalist crisis and that, despite arguments by New Institutional Economists and the World Bank, it has failed to deliver benefits to the African peasantry. The proposition, by international finance organisations, that foreign investments in the agricultural sector bring development opportunities is shown as misleading and lacking empirical evidence to support the claim, given the rise of socio-economic and political difficulties associated with land grabs and agribusiness encroachment in SSA.

Chambati and his co-authors also argue that land grabs and contract farming have increased food dependency and social differentiation in SSA. Evidence from a number of countries, such as Ghana, Tanzania, Mozambique and Ethiopia, highlights the granting of land titles as giving rise to

land markets, thus triggering social stratification as the domestic agrarian capitalists accumulate more land while the proportion of poor farmers becoming landless increases.

Part two opens with a study on Ghana, examining the implications of the Great Recession on development. Jasper Ayelazuno's chapter tackles the food and oil peaks of 2007/2008 and the economic recession that followed suit, specifically focusing on how they affected the life chances and social (re)production of the subaltern classes in sub-Saharan Africa, particularly in Ghana. He uses these two events to illustrate two points: firstly, Africa's deep insertion in the global capitalist economy, and secondly, the way in which fluctuations impelled by the global capital accumulation regime forcefully influence African economies.

The premise of Ayelazuno's thesis is that African economies will not prosper until they transform from exporting primary commodities to full industrialisation. As Ayelazuno argues, one of the prevailing development modes of thinking that inform development policy and practice in Africa in the twenty-first century is 'new extractivism', the postulation that if resource-rich states are able to deal with the 'resource curse' problem, their wealth can engender economic growth and the well-being of their citizens. Ayelazuno's chapter contextualises this thinking by situating it in the long history of Africa's insertion in the capitalist global economy as a commodities-frontier, teasing out the possibilities, constraints and contradictions of oil-driven industrialisation in Africa. Using Ghana as a case study, Ayelazuno identifies significant challenges to industrialisation by analysing both production and exchange relations between African countries and the so-called core capitalist countries. This internationalist approach, as Ayelazuno calls it, uses the world's oil peak and the recent and ongoing global economic crisis to illustrate Africa's deep integration into the capitalist global economy, the way in which the vicissitudes of global capital accumulation powerfully influence the economies of African countries and, ultimately, afflict the life chances and social (re)production of its subaltern classes.

By skilfully weaving the internal and international challenges and possibilities of oil-led development in Africa, Ayelazuno avoids banal dependency analysis and the inevitable cul-de-sac this leads to in terms of the agency and role of the state in Africa's (under)development. The 'African state' may be weak, but it is not beholden to the powerful global forces, Ayelazuno argues. Despite the power of these forces, an African developmental state can still harness financial and technological opportunities in the oil/gas industry to promote its industrialisation vision. The use of local

content policies (LCP) by some oil-rich African states signals the possibility of the emergence of petro-developmental states in the continent, as Ayelazuno puts it. Drawing on neo-Gramscian/Marxian state theories he argues that, despite Ghana's ambitious LCP, the Ghanaian state's actions and inaction, particularly in terms of the oil contracts it has signed with foreign oil companies (FOCs), demonstrate a 'successful failed state' rather than a 'petro-developmental state'. Though ambitious in scope, wide-ranging and eclectic in theoretical and empirical analysis, Ayelazuno's chapter offers fresh and fascinating insights into the new development fad in Africa – the extractive industries-driven development.

Then follow two chapters: one on Nigeria and the other on South Africa. Samuel Oloruntoba examines Nigeria and I look at South Africa. Oloruntoba acknowledges that Nigeria has been identified as one of the fastest growing countries in the world by various international development agencies. The recent rebasing of the economy actually turned Nigeria into the largest economy in Africa, with a gross domestic product (GDP) of over \$500 billion. Despite Nigeria's comparatively high rate of growth, poverty and inequality remain very high, as the growth has not translated into job creation. While the national rate of unemployment is about 27 per cent, youth unemployment is estimated to be well over 60 per cent.

At the root of this disconnect between growth and development, as Oloruntoba argues, are governance challenges in the form of corruption, state capture by corrupt elites and misdirected policies. The chapter examines the link between governance and the failure of economic growth to translate into inclusive development in Nigeria, arguing that the structure of governance hinders the translation of economic growth into achieving tangible results for poverty reduction in the country. In the case of Nigeria, Oloruntoba argues, the structure of governance can be broadly characterised as over-centralisation of authority under a supposedly federal arrangement; prebendalism, centred around a petro-dollar economy; and patrimonialism, as evidenced by the politics of sharing national resources among the ruling elites and their cronies. These factors, Oloruntoba argues, have constrained inclusive development in Nigeria. To ensure inclusive development, economic policies must be backed up with adequate social intervention programmes, he concludes.

Vusi Gumedede, in examining South Africa, makes a contribution to the ongoing debate about inclusive development in post-apartheid South Africa. He reflects on what a fundamental 'development question' is for South Africa, and for Africa more broadly – the post-apartheid development experience should also be examined within the context of the development

experience of post-independent Africa. It is a given, Gumede argues, that any debate about development must also, if not primarily, deal with social and economic inclusion, especially in the South African context.

An attempt to apply a Fanonian perspective in the context of inclusive development in South Africa is made in the chapter. This perspective on development – which is inspired by the works of Frantz Fanon – is particularly germane to South Africa for many reasons. In analysing inclusive development, as argued in the chapter, the constraints imposed by the global order and the relationship between people and capital should be considered. Overall, inclusive development remains shallow in South Africa. Gumede explains the possible reasons why development remains a pipedream in South Africa. The main argument he advances is that, besides constraints imposed by the global neo-imperial order, inappropriate policies and/or poorly sequenced reforms have limited the pace of development since 1994; hence the view that policy reforms can go a long way in bringing about some inclusive development in South Africa.

Serges Djoyou Kamga's chapter focuses on the Group of 77 (G77) – which is the largest intergovernmental organisation of developing countries in the United Nations (UN) – and on the transformation of global relations. Formed in 1964, the aim of the G77 is to provide a platform at the UN through which developing countries can communicate and promote their mutual interests. Kamga argues that the current world order is not conducive to a good standard of living for the global south. The chapter examines the feasibility of transforming global relations through an analysis of challenges and opportunities towards the realisation of transformation. This is achieved by exploring the extent to which the G77 can tap into the UN system to ensure the establishment of a better world order for all. The chapter also looks at the possibilities afforded to the G77 and China at the UN Security Council, as well as the main Committees of the General Assembly. Kamga also posits that the G77 and China committed themselves to remedying the situation by working towards a 'New World Order for Living Well'.

Kamga states that the global order which emerged after World War II has been characterised by poverty, inequality, the domination of the global north over the global south, and global injustice in general. Given this situation, the G77 emerged as one of the most significant agents for transformation of the international political economy to secure a better life for the global south. He goes on to argue that the turning point in the developing countries' strategy to speak with one voice on international affairs was in 1955, at the Bandung Conference in Indonesia. The chapter concludes that, within the Second Committee of the UN General Assembly, where issues of

economic growth, international trade, the international financial system, poverty, development and globalisation are dealt with, the G77 and China can use their numbers to influence the adoption of decisions to secure a just world order. However, the lack of tangible results by the G77, the emergence of other groupings and blocs containing members of the G77, as well as the actors' self-interest and the shaping of a global development agenda outside the UN, have compromised the aim of transforming the global relations for a just world.

In closing the second part, the last two chapters deal with Africa's relations (1) with China and (2) with Brazil, Russia, India, China and South Africa (BRICS). Essentially, the two chapters address Africa's relations in the context of the role of the global south in transforming global relations for a just world: Phineas Bbaala examines Africa-China relations, while Tukumbi Lumumba-Kasongo looks at BRICS. It is indeed very important that an analysis of the global south is undertaken, or that the various initiatives that purport to bring about a new world order are analysed. It would seem that the transformation of global relations for a just world can only be led by the global south. Africa, as part of the global south, has an important role to play in the transformation of global relations so that the whole of humanity benefits from the fruits of whatever progress is made. It might very well be that the global south needs its own vision and its own approach to development, instead of Africa pulling alone.

Phineas Bbaala highlights that 'notwithstanding China's long solidarity with Africa throughout the liberation struggle, and its contribution to the continent through foreign direct investment, infrastructure development, trade and bilateral aid, some of its recent engagements with the continent have raised questions of neocolonialism tantamount to those in the North-South relations'. In other words, are the new Sino-Africa relations mainly driven by China's hunger for Africa's natural resources, and by its search for international markets for its manufactures and business opportunities for its multinational corporations? Bbaala demonstrates that the new Sino-Africa economic relations, although still largely 'win-win', could soon plunge into 'win-lose' relations in favour of China.

Tukumbi Lumumba-Kasongo reflects on the dynamics of the BRICS states' political economy and its implications for Africa's continuous effort to search for new developmental paradigms. He addresses the following important questions: What are the BRICS states specifically proposing to the existing world order and the global south in the areas of paradigms of economic and social development and systems of governance? What do these countries have in common? Can this commonality be instrumentalised and

converted in favour of African progress? What is the ideological foundation of their solidarity? Within the pragmatism and ideology related to this solidarity, are the BRICS states proposing new development schemes from the failed old top-down, the 'free' and anarchical market-based, linear, and the middle-class one-fit-all model of social and economic development?

Lumumba-Kasongo concludes that, to have a significant impact in Africa, BRICS' activities should be shaped and guided by bottom-up perspectives, and that BRICS strongly calls for shifts of paradigms in the world order. However, he has doubts as to whether BRICS can bring about a new world order, given that the bloc seems to be working within existing paradigms instead of explicitly charting a new development path for the global south.

In part three, Thandika Mkandawire talks about the three 'Great Transformations' that have taken place, and envisages a fourth one that should materialise before the current neoliberal order annihilates human society, while Yash Tandon provides a way forward. Mkandawire 'borrows' the title of his chapter from Karl Polanyi's classic book *The Great Transformation*. As Mkandawire puts it, Polanyi argued that the so-called self-regulating markets cannot exist for any length of time without destroying human society. The chapter postulates that the first 'great transformation' occurred in Europe, at the time when it was widely believed that markets were nature's way of managing exchange in an efficient way and that interference in the workings of the market was not only artificial, but against the laws of God. This resulted in an economic order that tore apart the social bonds between the market and society, thereby producing great insecurity and social disorder.

The second 'great transformation' was about society's reaction in the form of defending itself against the ravages of the market and seeking to embed the markets in social relations. The expansion of the markets provoked political pressures from society to counter the negative effects of global markets, and to assist those who 'lost' mobilisation to protect their social rights or to seek new ways to protect themselves. This resulted in a situation where various social movements raised the 'social question' around the new economic arrangements where the idea of a welfare state was conceived. Therefore, the dynamics of society were governed by the double movement: the market expanded continuously, but this movement was met by a counter-movement checking the market's expansion in definite directions.

Since the second great transformation, the relationship between the market and society has had a pendulum-like motion. The third 'great transformation' occurred when neoliberalism launched a counter-movement that

gave the market primacy and sought to unbind it from the many social and political constraints or distortions of 'welfarism'. The oil crises of the 1970s brought to an end what came to be known as the "Golden Age of Capitalism". This was interpreted to suggest that it was a crisis caused by state intervention and welfare, and the developmental state it had spawned. In the developed countries it was believed that the many social demands had produced fiscal irresponsibility, which led to unsustainable social problems and the 'profit squeeze', created by the high social wages that undermined the competitiveness of business.

Mkandawire argues that as a result of the third 'great transformation', it was assumed that the self-regulation expected from 'corporate social responsibility', or the instinct of self-preservation, would replace the state, but this has failed disastrously. The neoliberal model is in trouble, and it is important to contemplate a new global order that will be built on and can facilitate social orders that are developmental, socially inclusive and democratic – this will be the fourth 'great transformation'. The first imperative would be the creation of global institutions that would ensure that commitments to justice, equality and democracy are translated into global and national policies. The second would be an intellectual and ideological challenge of the views and discursive practices that all too often fetishised globalisation into some exogenous force that ineluctably imposes its laws on the human race. Globalisation is ultimately a human construct and is amenable to human exigencies. Thus, ideologies that inform the 'spirit of the time' matter enormously, for they shape our visions and the things we are willing to do to realise them, as Mkandawire puts it. He concludes by stating that the manner in which the 'market' is socially embedded matters, as does the society within which it is embedded.

As indicated above, the book concludes with a way forward by Yash Tandon, who does not only problematise the 'Africa rising' narrative but proposes that a Strategic Thought Group be established to provide a new thinking on political leadership for the African continent. The chapter uses the New Partnership for Africa's Development (NEPAD) as a 'window' to analyse the 'African Growth Narrative' and its inherent weaknesses. In Africa, NEPAD is seen as the embodiment of the neoliberal growth paradigm and gives us a pretext to challenge the Neoliberal Economism which still remains dominant on the continent. NEPAD was formulated in an attempt to map out a growth strategy for the continent as a whole. Its architects claim it is inspired and draws legitimacy from the '*African Renaissance*' concept.

According to Tandon, a careful study of the document leads to the conclusion that it is really two documents in one. It reads like it was written

by two separate groups of people working independently of each other. The first part of the document is visionary in the spirit of 'African Renaissance', while the second presents Africa as a slavish dependent to the 'donors' and 'global capitalists'. While the architects of the NEPAD document appealed to the people on the ground for their support, the people were not consulted, and academia and civil society were also not involved in the drafting of the document. NEPAD was drafted by Africa's political elites.

In contrast to the NEPAD document, in 1979 the *Lagos Plan of Action for the Economic Development of Africa, 1980–2000* (LPA) had stressed self-reliance and African ownership of and control over its own resources. In its exploration of why Africa is still poor despite the abundant natural resources it possesses, it pointed to the Structural Adjustment Programmes (SAPs) propagated by the World Bank and the IMF as the primary culprits in Africa's economic stagnation. One of the primary commitments of the LPA was to require the continent to establish an African Economic Community in order to foster the continent's economic, social and cultural integration by the year 2000.

Tandon also explains that the World Bank came up with the Berg Report as an alternative setup to the LPA. According to the Berg Report, Africa did not have to worry about aid from the international community. Furthermore, more resources would be provided to African governments provided they made the necessary economic and policy adjustments. The report argued that they had neglected the agricultural sector in preference to industries, and that had to be rectified; they had provided excessive support to urban dwellers in the form of subsidies, and that also had to be stopped; their governments had intervened excessively in the economy, and it was time now to give more free space to market forces; in trying to achieve development, they had concentrated too much attention on developing the internal market and should now focus on export-led growth; and so on and so forth. African leaders were seduced by this World Bank 'medicine' and the Lagos Plan of Action was thrown out of the window.

Despite statistical tricks by international institutions and media that portray Africa's growth over the last decade as exceeding all other regions of the world, the continent is still in serious economic crisis. However, it is not all doom and gloom. There is still hope that Africa can produce leaders who are committed to the ideals of pan-Africanism. If Africa could produce the LPA in 1979, then the continent has the capacity to produce another, bolder strategy. Another point of optimism is the rise of popular consciousness in Africa. The statistical mirages produced by institutions such as the IMF and

the World Bank do not deceive people any longer. Nowadays, people demand tangible results in terms of the improvement of their well-being.

In conclusion, it would seem that there are numerous efforts to transform global relations, and to ensure inclusive development in Africa. The global south must not relent. Africa must push harder. Leadership is one of the most critical ingredients for successfully pursuing the overdue transformation of global relations and ensuring inclusive development. As I have been arguing, it is not just 'leadership' that is needed. Rather, what is very much needed is *thought leadership*, coupled with critical consciousness. As explained elsewhere, thought leadership is about leadership that is based on progressive ideologies, beliefs and orientations that have significant pragmatic and positive impact appeal. Critical consciousness, on the other hand, should be linked to decolonising the minds of Africans, as Ngũgĩ wa Thiong'o, Molefi Kete Asante, Ama Mazama and Chinweizu Ibekwe, among others, have argued. Knowledge production is therefore an important component in the pursuit of the desired transformation of global relations to ensure a just world. For Africa, the transformation of global relations, needless to say, has to be informed by the ideals of African Renaissance within the framework that pan-Africanism provides for. Ultimately, a united and prosperous Africa is the answer to many challenges.

In the meantime, African countries should be reforming policies in order that inclusive development becomes reality. Economic policies should ensure that growth translates to better well-being, while social policy must address both national and social questions. Other policies, be it on industrialisation, the labour market or regional integration, should be guided by the desire for inclusive development. The bigger agenda, however, remains that of transforming global relations and the attendant economic system that benefits a few at the expense of the many.

NOTES AND REFERENCES

- 1 Harvey, D., 2005. *The new imperialism*. Oxford: Oxford University Press.
- 2 Decolonial scholars describe coloniality as the legacy of colonialism – colonial systems and structures that survive beyond the so-called era of colonialism. For instance, coloniality is said to be in three spheres: coloniality of power, coloniality of knowledge and coloniality of being.
- 3 Gumede, V., 2013. African economic renaissance as a paradigm for Africa's socio-economic development. In Kondlo, K. (ed.), 2013. *Perspectives in thought leadership for Africa's renewal*. Pretoria: AISA Press, pp.484–507.

- 4 African Development Bank, 2015. *African economic outlook*. Abidjan: Ivory Coast.
- 5 IMF, 2009. *World economic outlook: Crisis and recovery*. Washington, DC: IMF
- 6 African Development Bank, 2015.
- 7 Gumede, V., 2015. Editorial. *Africa Development*, XL(3), pp.1–12.
- 8 Polanyi, K., 1944. *The Great Transformation: The political and economic origin of our time*. Boston: Beacon Press.
- 9 Fanon, F., 1961. *The wretched of the Earth*. New York: Grove Press.
- 10 Frantz Fanon (1961: 67) puts it well that ‘colonialism, by a kind of pervasive logic, turns to the past of the oppressed people, and distorts it, disfigures and destroys it.’
- 11 See, for instance, works by Molefi Kete Asante and Archie Mafeje, among others.
- 12 Tondi, P., 2005. Pan-African thought and practice. *Alternation*. 2, pp.301–328.
- 13 Gumede, V., 2011. The role of public policies and policy makers in Africa: Responding to global economic crises. In Lee, D.R. and Ndulo, M. (ed.), 2011. *The food and financial crises in sub-Saharan Africa: Origins, impacts and policy implications*. Cambridge: CABI International.
- 14 Mkandawire, T., 2001. *Social policy in a development context*. Social Policy and Development Programme Paper number 7. Geneva: United Nations Research Institute for Social Development.
- 15 There are many works of Samir Amin explaining problems with the development paradigm that Africa has followed. See, for instance, Amin, S., 1972. Underdevelopment and dependence in Black Africa: Historical origin. *Journal of Peace Research*, 9(2), pp.105–120.
- 16 See, for instance, Adedeji, A., 2002. African Forum for Envisioning Africa. *The Lagos Plan of Action to the New Partnership for Africa’s Development and from the Final Act of Lagos to the Constitutive Act: Wither Africa?* Keynote address. 26–29 April 2002. Nairobi, Kenya.
- 17 See Adebajo, A., 2010. *The curse of Berlin: Africa after the Cold War*. London: Hurst.
- 18 See, for instance, Ake, C., 1996. *Democracy and development in Africa*. Maryland: Brookings Institution.
- 19 Mkandawire, T., 2015. Neopatrimonialism and the political economy of economic performance in Africa: Critical reflections. *World Politics*, May 2015, pp.1–50.
- 20 Gumede, V., 2011.
- 21 African economic renaissance implies that Africans should decide on the African economy and/or the socio-economic system that works for them. The point of departure is that Africans have had, prior to colonialism and imperialism, an economy and an economic system that worked well for them. For more, see Gumede, V., 2013, pp.484–507.

- 22 For a detailed explanation of the socio-economic development model I have proposed, see Gumede, V., 2013, pp. 484-507. There is ongoing work to elaborate the proposed model with a focus on the twenty-second century, because some of us think that Africa has missed the twenty-first century. We, in fact, argue that as the twenty-first century slowly draws to a close it will, socio-economically, be remembered as one that firmly established the ascent of the Asian subcontinent and economies like the People's Republic of China, the Republic of Korea, the Socialist Republic of Vietnam and also the secondary rise of South American and Latin nations (e.g. the Federative Republic of Brazil, the Republic of Chile, United Mexico States). If African citizens and institutions are to own the twenty-second century, we need to start considering matters such as: (1) *what role should governments play?* (2) *what type of education is relevant?* (3) *where is science and technology currently excelling on the continent and can it be expanded to the rest of the continent?* and finally (4) *how can African states practically advance regional economic and educational integration?*
- 23 Adebajo, A., 2010.
- 24 Rodney, W., 1973. *How Europe underdeveloped Africa*. Dar es Salaam: Tanzanian Publishing House.
- 25 Amin, S., 1972.
- 26 Shivji, I., 2009. *Accumulation in an African periphery: A theoretical framework*. Dar es Salaam: Mkuki na Nyota Publishers.
- 27 Mbembé, A., 2001. *On the postcolony*. Berkeley: University of California Press.

PART I

Genealogies of Coloniality and Implications for Africa's Development

Sabelo J. Ndlovu-Gatsheni

INTRODUCTION

A critical engagement with the genealogies and lineages of coloniality is part of an effort to write the 'history of the present' in Africa. It is also a concern about how Africa was problematically and forcibly integrated into the evolving Euro-North American-centric modernity and its capitalist system over the last 500 years. At a methodological level, a genealogical approach enables a systematic analysis of continuities and discontinuities, simultaneously taking full account of the temporalities of ideas, systems, institutions and orders across time. This is useful in understanding how coloniality unfolded as a central leitmotif of modernity, imperialism, colonialism and capitalism. For Africa, writing 'the history of the present' entails dealing with an interrupted historical continuity. Euro-North American-centric modernity, as a broad discursive terrain that produced the slave trade, imperialism, colonialism and other systemic, structural and coercive external impositions, constituted an epic form of disruption of the historical development of the continent. The disruptions were accompanied by epistemicides and genocides. Caribbean decolonial theorist and poet Aimé Césaire¹ captures the disruptions referred to very well when he explains what became of our societies, our being and our political economies.

Pal Ahluwalia and Paul Nursey-Bray² reinforced the thesis of disruption of the African development trajectory when they argued that 'African history was denied or appropriated; African culture belittled; the status and standing of Africans as human beings was called into question.' Therefore the Foucauldian idea of 'an uninterrupted continuity' does not apply to Africa.³ Africa is largely a product of the active operations of colonial matrices of power that were well defined by the Peruvian sociologist Anibal Quijano as invisible imperial designs.⁴ To gain a better understanding of the history of the present in Africa and the genesis of postcolonial African development challenges one has to dig deeper into complex systems of thought, complicated historical processes, constitution and configuration of specific modern/imperial/colonial structures of power that produced Africa as a cartographic entity, an idea, a reality; as well as particular reproduction(s) of

African subjectivity as deficient and dependent. A comprehensive critical decolonial historical analysis of genealogies and lineages of coloniality has to be traced historically from the colonial encounters of the fifteenth century. At the same time, a phenomenological methodology becomes handy in capturing those intimate details of the lived experiences of African people who subsisted under what Walter Mignolo⁵ termed the ‘underside’ of Euro-North American-centric modernity.

This chapter, in dealing with Africa’s development, discerns eight broad and overlapping epochs, beginning with the age of colonial encounters right up to the contemporary period dominated by coloniality of markets/the logic of monopoly capital. The chapter is made up of three broad sections with subsections. The first section provides a background on how Africa was integrated into the evolving modern world system. The second section examines each of the eight genealogies of coloniality and elaborates on the lineages from the time of early colonial encounters in the fifteenth century to the present age of coloniality of markets. The last section is the conclusion, which emphasises the need for forging ahead with the unfinished projects of decolonisation of the modern world system and de-imperialisation of the global/international order. Broadly, the chapter reveals how global imperial designs and colonial matrices of power actively work to disrupt and constrain the African development trajectory. Today, African development remains a dependent process.

THE GENESIS OF COLONIALITY

As defined by Nelson Maldonado-Torres,⁶ coloniality is a global power structure. It is different from colonialism because it ‘refers to long-standing patterns of power that emerged as a result of colonialism, but that define culture, labour, inter-subjective relations, and knowledge production well beyond the strict limits of colonial administrations’.⁷ Coloniality ‘is maintained alive in books, in the criteria for academic performance, in cultural patterns, in common sense, in the self-image of peoples, in aspirations of self, and so many other aspects of our modern experience. In a way, as modern subjects we breathe coloniality all the time and every day’.⁸

Genealogically speaking, coloniality is founded on theft of history. Theft of history for Africa translated into theft of its future. The theft of history partly explains how Africa, which is acknowledged as the cradle of humankind, ended up as the most marginal continent in world affairs. Christopher Ehret⁹ underscores the fact that ‘Africa lies at the heart of human history.

It is the continent from which the distant ancestors of every one of us, no matter who we are today, originally came'. Today, Africa is locked in an enduring 'paradigm of difference' that downgrades its stature in world affairs and questions its contribution to human civilisation, progress and development.¹⁰ Even though the African continent and its people, collectively known as the 'Africans', are the most written about, they still remain the least understood of the world's people. This reality provoked Achille Mbembe¹¹ to argue that: 'The upshot is that while we now feel we know nearly everything that African societies and economies *are not*, we still know nothing about *what they actually are*.'

The paradigm of difference is the central leitmotif of coloniality which reproduced an Africa that was and is considered 'unthinkable'. Georg Wilhelm Friedrich Hegel emphasised the 'unthinkability' of Africa, arguing that:

Africa proper does not belong to humanity [and] is difficult to comprehend, because it is so totally different from our own culture, and so remote and alien in relation to our own mode of consciousness. We must forget all the categories which are fundamental to our spiritual life, i.e. the forms under which we normally subsume the data which confronts us; the difficulty here is that our customary preconceptions will still inevitably intrude in all our deliberations.¹²

He urged Europeans who wished to understand Africans to 'put aside all our European attitudes' so as to 'abstract from all reverence and morality, and from everything we call feeling' because 'nothing consonant with humanity is to be found in his character'.¹³ This Hegelian argument is surprising, because Africa has the longest history of encounters with those who wrote about Africans. Africans had encounters with the Greeks, Romans, Vandals, Byzantines, Persians, Phoenicians, Arabs and many other outsiders/foreigners long before the so-called 'discovery' of the so-called 'New World' (Latin America) by Christopher Columbus in 1492.¹⁴ This reality explains why, unlike Latin America, no European or other race claimed to have 'discovered' Africa.¹⁵

Historically speaking, the reality of a long interaction of Africa with the outside world even prior to the rise of modern Europe poses the challenge of where do we begin to trace the genealogies of coloniality. Egypt – which Cheikh Anta Diop¹⁶ spent an entire academic life studying and explaining as the most celebrated and most developed African civilisation, even prior to the rise of Greek civilisation – experienced a catalogue of colonial invasions.

The same is true of North Africa, which even became part of the Roman Empire by 146 BC, before it was later colonised by the Arabs in the seventh century. These early cultural and colonial encounters produced what became known as the Mediterranean commerce that was dominant until the fifteenth century, when it was overtaken by the Transatlantic commerce.¹⁷ Can we, therefore, trace the genealogy of modern coloniality to this period? The historical reality is that prior to the fifteenth century the cultural and colonial encounters that happened did not leave a 'profound or epochal legacy for either of the two continents'.¹⁸

This chapter therefore traces the genealogy of coloniality in Africa from the fifteenth century, for two main reasons. In the first place, the dawn of Euro-North American-centric modernity – which gave birth to a world system that decolonial theorists understood as constitutively racially hierarchised, patriarchal, sexist, imperial, colonial, capitalist, Christian-centric, hetero-normative, asymmetrical and modern – is traceable to 1492.¹⁹ In the second place, 'Europe's renewed interest in and subsequent intercourse with Africa from the fifteenth century onwards had long-lasting and revolutionary effects on the continent'.²⁰ The fifteenth century witnessed a rise of a particular Euro-North American-centric modernity that was underpinned by a world system and an international economy.

Ontologically speaking, a new racial discourse of defining and classifying people – racially hierarchising them, and then colonising and ruling over, dominating and exploiting those that were deemed to be racially inferior – emerged. Those who became victims of the politics of alterity became legitimate subjects for enslavement. Compared to the Roman Empire, which was underpinned by the idea of inclusiveness and the logic of the *humanitas*, the post-fifteenth century Portuguese, Spanish, Dutch, and later British, French, German and Italian empires were informed by the logic of differentiating the *humanitas* from the *anthropos*. But in Rome, in the spirit of *humanitas*, the Romans never questioned the humanity even of those people they designated as *barbarians*.²¹ This reality led Mahmood Mamdani to argue that:

If there is a parallel to the Roman capacity to absorb local elites as the empire expanded – in the process turning Rome itself into a multicultural centre – that parallel is provided by the Ottoman Empire and not the modern Western Empires of Britain and France.²²

Both empirical historical evidence and decolonial theory indicate that the dawn of Euro-North American-centric modernity in the fifteenth century

produced a distinctive world system that was not only underpinned by a world economic system known as capitalism, but by racism as an organising principle. The modern world system referred to as 500 years old is one founded on what Ramon Grosfoguel²³ termed the 'four genocides/epistemicides of the long sixteenth century', namely the conquest of Al-Andalus that was accompanied by the destruction and dispersal of Jewish and Muslim people; the invasion, conquest and colonisation of the indigenous people of the Americas; the enslavement of black African people and their transportation, through the 'Middle Passage', to labour in the plantations; and the patriarchally motivated attacks on women that included the burning alive of Indo-European women who were accused of witchcraft.

Coloniality, therefore, emerges within the Euro-North American-centric modernity discursive terrain as a negative side that survived the dismantlement of direct colonialism, to exist as a global power structure underpinning the asymmetrical global system of power operative in the present. Quijano²⁴ defined coloniality as 'one of the specific and constitutive elements of global model of capitalist power', elaborating that '(i)t is based on the imposition of a racial/ethnic classification of the global population as the cornerstone of that model of power, and it operates on every level, in every arena and dimension (both material and subjective) of everyday social existence, and does so on a societal scale'.

In summary, one can argue that the post-fifteenth century modern world was constituted by six core elements. The first is known as the *world system*, which is constituted by coloniality of power and is structurally asymmetrical. The second is called the *global or international order/European world order*, constituted by imperialism and coloniality. Kwame Nimako and Glenn Willemsen²⁵ defined the world order this way:

'European world order' refers to an international political-economic system that emerged between the sixteenth and twentieth centuries and laid the foundation for an international legal framework and system, including maritime and company law as we know them, that came to be dominated by European states and people of European descent around the world.

The third element is termed the *international economy*, constituted by capitalism. As part of this international economy:

Europe was the location of ideas, design, planning and innovations; Africa was the source of captive Africans for enslavement; the Caribbean and the

Americas were the sites of production, and Europe again of consumption of the goods produced by the enslaved.²⁶

The fourth element is a *techno-scientific epistemology*, which is hegemonic and fundamentalist to the extent of claiming not only to be disembodied and unsituated, but also to be neutral, truthful and universal.²⁷ The fifth element is that of a *hierarchised conception of being*, constituted by racism and Eurocentrism. Finally, the modern world is also *Christian-centric*, making it intolerant of other religions.

Taken together, these elements constitute a particular *Euro-North American-centric modern civilisation*. This civilisation, its systems and orders, as noted by Michael Hardt and Antonio Negri²⁸ did not rise ‘up spontaneously out of the interactions of radically heterogeneous global forces, as if this order were a harmonious concert orchestrated by the natural and neutral hidden hand of the market’, as such classical thinkers as Adam Smith wanted us to believe. Enslavement, conquest, colonisation, dispossession, domination, repression and exploitation characterised the dragging of Africa into Euro-North American-centric modernity.

But Euro-North American-centricity produced two scripts. The first is a ‘public script’ that emphasised modernity’s ability to overcome all obstacles to human progress and promised emancipation, civilisation and development. This script, as noted by Sylvia Wynter,²⁹ sold modernity as ‘glorious achievement’. Decoloniality exposes the ‘hidden script’ of modernity known as coloniality. Here I am using James C. Scott’s³⁰ concepts of ‘public transcripts’ and ‘hidden transcripts’ to highlight the two faces of modernity. Coloniality as hidden script enabled racial classification of human population, enslavement of non-European people, primitive accumulation, imperialism, colonialism, apartheid and neocolonialism. To Wynter,³¹ this script is that of ‘history’s monumental crimes’ that encompass genocides and epistemicides, as well as ‘ongoing ecological disaster unprecedented in human history’.

Eurocentrism is part of the hidden script in the sense that it is articulated as part of a civilising mission, emancipation and development. In reality, Eurocentrism is the foundation of the politics of alterity that produced what the Nigerian decolonial scholar, Chinweizu,³² articulated as ‘the West and the rest of us’. At its centre is what William E.B. Dubois³³ termed the ‘colour line.’ The leading existential Africana philosopher, Lewis R. Gordon, argued that: ‘Born from the divide of black and white, it [colour line] serves as a blueprint of the ongoing division of humankind’.³⁴ He elaborated that:

The colour line is also a metaphor that exceeds its own concrete formulation. It is the race line as well as the gender line, the class line, the sexual orientation line, the religious line – in short, the line between ‘normal’ and ‘abnormal’ identities.³⁵

Eurocentrism is ‘expressed in the most varied of areas: day-to-day relationships between individuals, political formations and opinion, general views concerning society and culture, social science.’³⁶ It exists as a condescending worldview that accords history to Europe, complete and sovereign being to Europeans, confers the right to judge others to Europeans, as well as racial superiority to Europeans. The Ethiopian historian, Teshale Tibebe,³⁷ just like Quijano, identifies what he termed ‘Columbian modernity’ as the discursive terrain within which Eurocentrism, colonialism and coloniality emerged.

Columbian modernity, as noted, is founded on what the distinguished anthropologist, Jack Goody, termed ‘the theft of history’. This theft of history unfolded as a ‘European game’ of usurpation of world history. This means that the unfolding of Euro-North American-centric modernity across the non-European world was accompanied by the theft and usurpation of human history, resulting in the re-articulation of human history from a Eurocentric imperialist historiographical narrative.³⁸ Through the process of theft and usurpation of world history, Europe put itself on a new and high pedestal as the centre of the modern world from which the ‘world is described, conceptualised and ranked’.³⁹ This usurpation of world history unfolded in terms of the colonisation of space, time, knowledge, being and even nature.⁴⁰ Paul Tiyambe Zeleza⁴¹ termed this Euro-American narration of human history the ‘Athens-to-Washington’ discourse.

Once African history was stolen, African people lost that agency to make history outside of a discursive framework created by Euro-North American-centric modernity. To borrow an important point from Karl Marx’s *The Eighteenth Brumaire of Louis Bonaparte*, I posit that while African people continued to make history after the colonial encounters and even under direct colonialism, they were no longer able to do so outside coloniality.⁴² Coloniality was not a circumstance they had chosen to make history under. This is why Zeleza⁴³ concluded that ‘African history has yet to rid itself of the epistemic violence of imperialist historiography’.

Euro-North American-centric modernity impacted on the very question of human ontology as well. The very shift from a God-centred society to a man-centred society laid a foundation for the ‘discovery’ and conquest of non-European people. Magobe Ramose⁴⁴ traced the rise of ontological

differentiation of humanity to Aristotle's definition of 'man' as a rational animal. This immediately gave birth to the 'reason and unreason' boundaries in the definition of being. This Aristotelian differentiation was applied when the imperialists came into contact with such people as Africans, indigenous people of the Americas, and others found outside Europe. They had no reason and therefore they were not different from animals. René Descartes' dictum of 'I think, therefore I am' did not help matters; rather it confirmed the Aristotelian definition of being. The next contour of alterity became that of 'civilisation' versus 'barbarism.' On this, Ramose argued that:

This line between civilisation and barbarism was an extension of the boundary between reason and unreason. The conqueror claimed the status of being the possessor of a superior civilisation. [...]. The conqueror was civilised and the African was the barbarian. [...]. The line between civilisation and barbarian thus established the relationship of superior and inferior.⁴⁵

The third contour of alterity took the religious terminology of 'fidels' versus 'infidels'. This drawing of lines that determined and defined identities, as well as power differentials, produced what Maldonado-Torres⁴⁶ termed the 'imperial Manichean misanthropic skepticism' that exists as a narrative of doubting the very humanity of black people. Maldonado-Torres elaborated that the skepticism was 'not skeptical about the existence of the world or the normative status of logics and mathematics. It is rather a form of questioning the very humanity of colonised peoples'.⁴⁷ Within these racially-driven human encounters, African being became re-articulated by the Western opinion makers as a disabled one, constituted by deficits and lacks. This articulation of non-Western subjectivity and being is well captured by Grosfoguel:

We went from the sixteenth century characterisation of 'people without writing' to eighteenth and nineteenth century characterisation of 'people without history,' to the twentieth century characterisation of 'people without development' and more recently, to the early twenty-first century of 'people without democracy'.⁴⁸

All these imperial scepticisms accumulatively resulted in what Bonaventura de Sousa Santos termed 'abyssal thinking', constituted by invisible 'abyssal lines' separating humanity into 'zone of being' for whites and 'zone of non-being' for black people.⁴⁹ Thus, since the time of colonial encounters,

non-Western people found themselves struggling to regain their lost ontological density and to cross the 'abyssal lines' into the 'zone of being'.

HISTORICISING THE GENEALOGIES AND LINEAGES OF COLONIALITY

The first genealogy of coloniality, historically speaking, can be rendered as *the discovery paradigm and mercantilist order*. It is one of the earliest central categories in the unfolding of Euro-North American-centric modernity. Understood from an African historical perspective, the discovery paradigm and mercantilist order began to envelop Africa in 1415, when Portugal invaded the Moroccan port of Ceuta.⁵⁰ Ceuta formed a bridgehead for further Portuguese imperial expansion that challenged Muslim dominance in North Africa, in place since the seventh century.

But broadly speaking, the discovery paradigm and the mercantilist order that covers the period from the fifteenth to the eighteenth centuries inaugurated a commercial shift from the Mediterranean-centred economy to the Atlantic-centred economy, linking western Africa, the eastern coasts of North Africa and South America, as well as the Atlantic coastline of Europe and North Africa.⁵¹ At the same time that the Spanish Atlantic sphere was being extended to the Pacific, the Philippines and China, the Portuguese were creating the Indian Ocean sphere that was extending to the East Indies. Eventually, the four continents of Europe, Africa, Asia and the Americas were linked together through interdependent economic activities, migrations of people and slaves, as well as 'cultural interplay of religions and ideas from all four continents'.⁵²

Analytically, the discovery paradigm and the mercantilist order was constituted by five core elements: exploration, 'discovery,' cultural/colonial encounters, trade and human trafficking. The leading external imperial powers were first Portugal, Spain and Holland, and were later joined by Britain, France and others. The Arabs were also very active in what became known as the slave trade. Active on the ground were explorers, merchants and missionaries. The leading explorers were James Bruce, Mungo Park, David Livingstone, Henry Morton Stanley, John Hanning Speke and many others. To the historian, Walter Rodney, those described as explorers were in actual fact early scramblers for Africa. This is how he put it: 'Make no mistake about it, gentlemen such as Carl Peters, Livingstone, Stanley, Harry Johnston, De Brazza, General Gordon and their masters in Europe were literally scrambling for Africa. They barely avoided a major military conflagration'.⁵³

Besides explorers, merchant companies such as the Dutch East India Company formed in 1621, the British Company of Royal Adventurers Trading in Africa formed in 1660, the French West Indies Company/Senegal Company formed in 1664, the British Royal Africa Company formed in 1672 and others also dominated the mercantilist order and were actively involved in the slave trade. Some of the companies had powers to institute colonisation. One can also argue that the discovery paradigm and the mercantilist order unfolded in the form of a 'frontier' from the occupation of some isolated islands, such as Madeira and the Azores in the first place in 1419 and 1431 respectively, the Cape Verde Islands in the 1460s, and the Guinea Islands in the 1470s, to the establishment of coastal forts and slave trade stockades such as that of Gorée Island in present-day Senegal.⁵⁴ By 1482, the fortress of Elmina was established by Diogo de Azambuja, and later many other fortresses were built in the Indian Ocean.

The expansion to the Indian Ocean commenced with two voyages of discovery. The first was by Bartholomew Diaz in 1488, and the second by Vasco da Gama in 1498 and his successful circumnavigation of the southern tip of the African continent until he reached the East Indies. To get a clear grasp of the unfolding of the paradigm of discovery and the creation of a mercantilist order, one needs to get the sequence of historical events clearly. The beginning is the invasion of Ceuta in 1415. This was followed by the Portuguese landing on the shores of Senegal in 1441 and a Portuguese raiding party capturing ten Africans on the west coast to sell them on the Lisbon slave market. The next event was the Portuguese colonisation of the island of São Tomé in 1473 and the establishment of sugarcane plantations that needed slave labour. The establishment of a fortress at Elmina in 1482 that was visited by Christopher Columbus in the same year is another important event, because that made him realise the habitability of those zones that were said to be inhabitable and influenced his later grand designs. Diogo Cão claimed to have discovered the mouth of the Congo River in 1483, which enabled Portugal to establish links with the rich Kingdom of Kongo in central Africa.

On Bartholomew Diaz's voyage of 1488, he was able to sail around the southern tip of the African continent. Another important event is that of Columbus' voyage that eventually took him to the Americas in 1492. This was followed soon after by Vasco da Gama's voyage of 1498 that took him to the East Indies. The signing of the Treaty of Tordesillas by Spain (Castile) and Portugal in 1494, whereby they attempted to divide the world into Portuguese and Spanish colonial enclaves and spheres of influence, is another

important event in the series of historical events unfolding the paradigm of discovery and the inscription of a mercantilist order.

Two points emerge here. The first is that Columbus' voyage of 1492, a date that is figuratively used as marking the dawn of Euro-North American-centric modernity, must be understood as part of a sequence of historical events that involved the Portuguese penetrating into Africa.⁵⁵ The second is that the sequence of events outlined above must be understood in combination as marking the unfolding of the expansion of Europe to the Americas, Asia, Caribbean and Africa.

Two examples provide a good measurement of the consequences of the paradigm of discovery and the practices of the mercantilist order. The first is that of the slave trade, which James Walvin⁵⁶ understood to have shaped the modern world in profound ways: 'The key features of the modern world which we now take for granted (the human face of the Americas, the foodways of the world, the questions of lingering poverty across swathes of sub-Saharan Africa – all these and many more) have historical roots which take us back to the story of slavery and the Atlantic slave trade.' The second is that of the Kingdom of Kongo and the Portuguese. A lot has been written about the impact and consequences of the slave trade. Suffice it to say that it was a major feature of the mercantilist order, revealing the negative aspect of the unfolding of Euro-North American-centric modernity, which is why Johannes Mende Postma, in his book, *The Dutch in the Atlantic Slave Trade, 1600-1815*,⁵⁷ argued that '(t)he slave trade itself produced one of the most embarrassing chapters in human history, which has haunted historians, moralists and economists ever since'.

The Kingdom of Kongo was one of the earliest African political polities that were destroyed by its encounter with Portugal in the fifteenth century. The conversion of leaders of the Kongo to Christianity, including changing African names to European ones and the Europeanisation of their court, did not protect their subjects from enslavement by the Portuguese. This led the Bakongo king, Mvemba a Nzinga (who had changed his African name at baptism to Dom Afonso I), in 1526 to formally complain to the Portuguese government about how the Portuguese merchants 'daily seize our subjects, sons of the land and sons of our nobleman and vassals and our relatives', leading to the depopulation of the Kingdom of Kongo.⁵⁸

This complaint fell on deaf ears. Eventually, the Portuguese physically invaded the Kingdom of Kongo in 1665, killing the Bakongo king and reducing it to a vassalage that included sending tribute in the form of slaves, who were then exported to Portuguese plantations in Brazil.⁵⁹ The slave trade continued for over three hundred years, severely affecting development in

Africa. Walter Rodney, in his influential book, *How Europe Underdeveloped Africa*,⁶⁰ correctly traced the process of European underdevelopment of Africa from the fifteenth century and emphasised the role of the slave trade in this process. Indeed, the paradigm of discovery and the mercantilist order constituted an important genealogy and is part of the lineages of coloniality that cannot be ignored in any attempt to write a history of the present in Africa.

The eventual abolition of the slave trade and the rise of what became known as 'legitimate trade' did not release Africa from the deepening nexus of the evolving and exploitative capitalist modern international economy.⁶¹ The onset of the Industrial Revolution in Europe increased their appetite for raw materials and markets. The abolition of the slave trade coincided with the shift in Europe and North America from mercantilism to industrialism. Industrialists were interested in commodities such as gold, diamonds, palm oil and others, different from commoditised human beings (slaves) that were the mainstay of mercantilism. The increasing demand for raw materials and markets, coupled with some strategic considerations, informed imperialism and colonialism. But one cannot fully appreciate the logic of imperialism and colonialism without understanding the core contours of the Westphalian order that unfolded from the end of the Thirty Years War in 1648.

THE POST-1648 WESTPHALIAN ORDER AND THE EXCLUSION OF AFRICA FROM NATION-STATE SOVEREIGNTY

Institutionally speaking, Euro-American-centric modernity is credited with the production of the modern nation-state as a superior and enduring form of organisation of power and people. The birth of the modern nation-state is traceable to the end of the Thirty Years War, particularly to the Peace of Westphalia of 1648. The signatories of the Peace of Westphalia agreed on three principles. The first was the principle of state sovereignty. The second was the principle of equality of states. The third was the principle of non-intervention of one state in the internal affairs of another.⁶² At Westphalia was born the institutionalisation and 'norming' of a particular modern world order as a juridical political formation.⁶³ The dominant European states by then, namely Germany, Spain, France, Sweden and the Netherlands, agreed to recognise and respect each other's sovereignty while they were involved in violating those same principles outside Europe.

What must be noted is that by the sixteenth century the concept of a nation-state was emerging in Europe as a new kind of human association.⁶⁴

For Africa, the period from the fifteenth to the nineteenth centuries was dominated by a plethora of organisational forms of human associations, ranging from hunter-gatherer societies to chiefdoms, kingdoms, dynasties, kinship, clans and many others.⁶⁵ It was also during this same period that, in Europe, the human population was being classified in accordance with race and being hierarchised to the extent that African subjectivity was written out of the human order.

Imperial reason founded on racism and Eurocentrism consistently reproduced the Hegelian-Conradian-Hugh Trevor Roper racist discourse of an Africa that was non-existent beyond being enveloped in darkness. It is not surprising that under the Westphalian order African people were not considered a part of humanity that was entitled to any form of sovereignty. The polities that existed in Africa during the constitution of the Westphalian order 'did not count as states according to the criteria adopted by the European state system', and such excluded entities were considered available for appropriation, 'subject only to their capacity to conquer the incumbent power holders by those which did count'.⁶⁶ It is also not surprising, therefore, that many times since 1648 European men set out to order the world without including African people, right up to the post-1945 period. The British journalist-cum-historian, John Keegan, highlighted how European men had met four times in the modern age to re-order the world without the presence of Africans and Africans from the Diaspora. This is how he put it:

Four times in the modern age men sat down to reorder the world – at the Peace of Westphalia in 1648 after the Thirty Years War, at the Congress of Vienna in 1815 after the Napoleonic Wars, in Paris in 1919 after World War I, and in San Francisco in 1945 after World War II.⁶⁷

Perhaps due to the strong hold of racism and Eurocentrism, Keegan ignored in his list of sittings that European men also sat at the Berlin Conference in 1884/1885 to agree on how to share Africa among themselves. For African people, the Berlin Conference impacted profoundly on their lives and constituted an important genealogy and lineage of coloniality as it inaugurated not only the scramble for Africa, but also the cartographic constitution and configuration of the continent. Even though the notion of self-determination was debated at the Paris Peace Conference of 1919 and adopted as the Fourteenth Point of Woodrow Wilson's Fourteen Points, it was not meant to cover an Africa that was under colonialism. It meant to resolve the issues and problems of Eastern Europe that were arising from the dissolution of multinational empires, such as the Ottoman, that gave birth to what

became known as the 'Eastern Question'.⁶⁸ But for Africa, it is important to deal with the impact of the Berlin Conference as a major component of coloniality and reveal its profound impact on the African present.

THE BERLIN CONSENSUS OF 1884/1885, THE SCRAMBLE FOR AFRICA AND CONQUEST

The Berlin consensus was an agreement among European powers to divide Africa among themselves. While the institutionalisation of the slave trade became the first manifestation of the negative of Euro-North American-centric modernity, the Berlin Conference of 1884/1885 enabled the scramble and colonialism.⁶⁹ The scramble for and partition of Africa among European powers amounted to an open disregard and disdain for the African people's dignity, rights and freedoms.⁷⁰ The Berlin Conference was hosted by the German Chancellor, Otto von Bismarck, who is credited for unifying Germany. The unifier of Germany presided over the process of the partition of Africa. This irony led Ali Mazrui to argue:

It is one of the ironies of the great German leader Otto von Bismarck that he helped to unify Germany in the nineteenth century and initiated the division of Africa soon after. The unification of Germany led to the emergence of one of the most powerful Western countries in the twentieth century. The partition of Africa, on the other hand, resulted in some of the most vulnerable societies in world history.⁷¹

The Berlin Conference introduced and defined the rules of the partition of Africa among European powers. The use of treaties and concessions bearing the signatures of African kings and chiefs must not be taken to mean that African leaders consented to colonisation. The treaties were obtained fraudulently through trickery, chicanery and outright lying by European negotiators and agents. A case in point is the Rudd Concession of 1888 that was claimed to have been signed between the agents of the British South Africa Company (BSAC) and King Lobengula Khumalo, the last leader of the Ndebele Kingdom in southern Africa, in the immediate post-Berlin Conference period. What was ascertained later is that the pre-literate Ndebele king had not understood the terms of the treaty, which were written in English, and that there was a difference between what was shared with the Ndebele king verbally and what was contained in the written treaty.⁷² When the true facts of the Rudd Concession were later understood by the Ndebele king,

he immediately and vehemently repudiated it and even sent some Ndebele chiefs to Britain to formally register the repudiation with Queen Victoria of England.⁷³

It must also be emphasised that, even if African leaders refused to sign the treaties, it would not have mattered, because imperialism and colonialism were violent processes, not negotiated projects. At another level, it must be made clear that the treaties were meant to prevent conflict among European powers, rather than to seek African consent.

The nineteenth century became an age of military conquest, occupation and settlement in Africa. The possession of guns gave Europeans an advantage over the African people, to the extent that they celebrated the Maxim gun in colonial poetry and song. By 1914, the whole of Africa had been violently brought under colonial rule, except for Liberia and Ethiopia.⁷⁴ The partition and colonisation of Africa, as noted by Mazrui, 'unleashed unprecedented changes in African societies: political, economic, cultural, and psychological'.⁷⁵ African people of different ethnic backgrounds were forcibly enclosed within one of the demarcated colonial boundaries of the colonial state. At another level, some African people with common ethnic backgrounds were randomly fragmented into different colonial states.

The Berlin Conference dramatised and confirmed the fact that Europeans did not consider those people found in Africa to be human beings that deserved to be treated with dignity. The logic that informed the slave trade also informed the partition of Africa. It is a logic of not only dismissing the humanity of African people, but of considering them to be a 'present' that was 'absent' in considerations of world affairs. This logic was informed by what James Blaut⁷⁶ called the 'myth of emptiness', which was constituted by four major Eurocentric propositions: that Africa was empty of people; that where people were found they were mobile, nomadic and wanderers without any sense of political sovereignty and territorial claim; that African people had no idea of private property; and, finally, that African people lacked rationality.

The long-term consequence of the Berlin consensus is that African people found themselves enclosed in territorial boundaries that were decided in Europe. Whatever political attempts were made to exercise their political agency had to be performed within 'iron cages' or 'bondages of boundaries'.⁷⁷ The curse of Berlin, as Adekeye Adebajo⁷⁸ calls it, remains a long-standing form of coloniality, because it is permanently inscribed on the boundaries of African states that African leaders accepted as inviolable in 1963 at the foundation of the Organisation of African Unity (OAU), which later changed its name to the African Union (AU). Ricardo Larémont⁷⁹ correctly noted that

the present 'borders of African states were fixed by European colonialists during a narrow window of time (essentially from 1878 to 1914)' and that, in the 1960s, African leaders 'reified' these borders. The problem was compounded by the fact that the colonial powers that met at Berlin, in drawing borders, acted 'like some demented tailor who paid no attention to the fabric, colour or pattern of the quilt he was patching together'.⁸⁰

COLONIAL GOVERNMENTALITY AND REPRODUCTION OF AFRICAN SUBJECTIVITY

At the centre of colonial governmentality in Africa one finds British direct rule that shifted to indirect rule, Portuguese Luso-tropicalism and French assimilation and association as dominant colonial forms of administration. These different namings of colonial governmentality spoke to variations rather than differences in logic and purpose. Thus, broadly speaking, colonial governmentality was constituted by six core elements. These were violence, defining subjectivities, inventing tradition, appropriating/exploiting resources and people, dominating/repressing people, and ruling in accordance with the interests of the colonial settlers and metropolitan centre. Achille Mbembe⁸¹ clearly deciphered the three major roles of violence in colonial governmentality, whereas Mahmood Mamdani⁸² perfectly articulated the core elements of 'defining' and 'ruling' as two major leitmotifs of colonial governmentality.

Violence of colonial governmentality takes the form of 'foundational violence,' that is, a form of violence that is at the centre of military conquest. Mbembe⁸³ elaborates that this foundational violence 'helped create the very object of its violence', which is the conquered people that had to be coerced to accept colonial governmentality. The second form of violence is 'legitimation' violence, which provides the colonial order 'with a language and self-interpreting models'.⁸⁴ The final form of violence is 'maintenance violence', which must be constantly replicated 'in the most banal and ordinary situations', and whose function is to 'ratify' and 'reiterate'.⁸⁵

Besides the use of violence, Mamdani⁸⁶ understood colonial governmentality to be driven by the logic of 'defining' and 'ruling' those who became victims of colonisation. This colonial project of 'defining' and 'ruling' was partly informed by the long-standing racial social classification of the human population, as well as by pragmatism in the construction of a colonial order that was not too expensive to the empire. The outcome in the British colonies was a bifurcated colonial state that produced a bifurcated

subjecthood of 'citizens and subjects'⁸⁷ as a variant of what Albert Memmi⁸⁸ termed 'the coloniser and the colonised'. Mamdani noted that the practices of defining and ruling cascaded from the fear of the 'Indian disease', where the attempt to introduce direct colonial rule premised on the eradication of difference between the coloniser and the colonised, provoked active resistance among the colonised.⁸⁹

The important point arising from Mamdani's analysis is that '(t)he management of difference', which 'is the holy cow of the modern society, just as it is central to modern state-craft', is traceable to the colonial administrative 'transition from direct to indirect rule'.⁹⁰ It was in the process of shaping and the management of difference that 'invention of tradition' emerged as part of colonial order. The concept of 'invention of tradition' was coined by Eric Hobsbawm and Terence Ranger⁹¹ in their influential edited volume entitled, *The Invention of Tradition*, which sparked animated, heated debates. The colonial inventions included reproduction of African identities as authentically tribal and codification of such invented subjectivities into colonial law to back up colonial politics of 'divide' and 'rule'. Defining entailed 'inventing' subjectivities whereby 'the native is pinned down, localised, thrown out of civilisation as an outcast, confined to custom, and then defined as its product'.⁹² Mamdani's analysis provides a sophisticated rendition of 'colonial governmentality' in his engagement with the colonial ideas of Sir Henry Maine as a colonial ideologue:

Through a theory of history and a theory of law, he distinguished the West from the non-West and a universal civilisation from local custom. In the process, he distinguished the settler from the native, providing elements of a theory of nativism: if the settler was modern, the native was not; if history defined the settler, geography defined the native; if legislation and sanction defined modern political society, habitual observance defined that of the native. If continuous progress was the mark of settler civilisation, native custom was best thought as part of nature, fixed and unchanging. The native was the creation of theorists of an empire-in-crisis.⁹³

Under colonial governmentality the colonised African people were forced to lose their African subjectivity, as they were reproduced by the colonial paradigm as objects. Under French colonialism, Africans were 'assimilated' and did not 'assimilate'. In the process, what was lost was African 'personality' as a form of sovereign subjectivity. Consequently, Africans continue to suffer from alienation and dispossession that was imposed through a combination of colonial assimilation policies, indirect and direct rule,

forced particularism and ghettoisation, and even ‘dilution in a nameless universalism’, as understood by Césaire.⁹⁴ The proposed therapy by Ngũgĩ wa Thiong’o⁹⁵ and Chinweizu⁹⁶ is that of ‘decolonising the African mind’, which is proving to be very difficult in a context where coloniality is still actively working to hail Africans into embracing coloniality as a dominating worldview.

THE POST-1945 UNITED NATIONS DECOLONISATION NORMATIVE ORDER AND COLD WAR COLONIALITY

The post-1945 United Nations sovereignty order emerged from two world wars (1914-1918 and 1939-1945). It effectively carried over the Westphalian sovereignty order, only re-proposing it as an inclusive global norm that included firstly the smaller states of Eastern and Central Europe that previously were part of multinational empires. During the interwar years (1918-1939) Africa was far off from being considered for the enjoyment of sovereignty. It was still enveloped in the paradigm of difference. What disturbed the inter-war years’ paradigm of difference was Adolf Hitler, the leader of Germany, who advocated Nazi racist ideology and imported the paradigm of racial difference that was reserved for the colonies into the centre of Europe, resulting in what became known as the ‘Holocaust’.⁹⁷

It was the practice of racism at the centre of Europe, rather than its practice in the colonies, that provoked Western powers to take such actions as the production of the Atlantic Charter; the Nuremberg Trials; the formation of the United Nations; and the adoption of the Universal Declaration of Human Rights. Hitler’s crime was that of taking coloniality and racism, which was designed for those people in the ‘zone of non-being’, and practicing it at the centre of the ‘zone of being’. This is why Césaire argued that:

Nazism before it was inflicted on them, that they absolved it, shut their eyes to it, legitimised it, because, until then, it had been applied only to non-European peoples; that they have cultivated that Nazism, that they are responsible for it, and that before engulfing the whole edifice of Western Christian civilisation in its reddened waters, it oozes, seeps, and trickles from every crack.⁹⁸

Hitler’s application to white people of colonial procedures and technologies of subjectivation aroused the Western world to the dangers of narrow nationalism and racism, as though they had not been practicing it against

non-Western peoples for centuries.⁹⁹ For Africa, the post-1945 United Nations sovereignty order provided Africans with a platform to critique and expose the hypocrisy and double standards of Western colonial powers.¹⁰⁰ Therefore, the struggles for decolonisation proceeded as claims for the inclusion of Africans in the post-1945 human rights normative order. The Universal Declaration of Human Rights of 1948 was closely studied by African freedom fighters, and its linguistic inventories were used to put pressure on Europe to decolonise Africa.

When decolonisation was eventually realised, from the 1960s onward, the reality was that postcolonial states were admitted into the lowest echelons of the hierarchised and asymmetrically organised global international system. Consequently, the decolonisation process ushered into the post-1945 modern world order a group of the world's weakest and most artificial states.¹⁰¹ The post-1945 United Nations sovereignty order succeeded in accommodating some of the anti-systemic movements that had arisen in the peripheries of the Euro-American-centric world system, creating a myth of a decolonised postcolonial world.¹⁰²

The Cold War (1945-1989) that co-existed with the African decolonisation trajectory was a form of global coloniality that dramatised the emergence of two competing imperialist empires, one claiming to be spreading international socialism and the other to be defending Western capitalist-Christian civilisation. Capitalism and communism are related creatures of Euro-American modernity. Capitalism is expected to be succeeded by communism in the Marxist linear rendition of changing modes of production. The United States of America (US) and the now defunct Union of Soviet Socialist Republics (USSR) were both imperialist and colonialist, whilst both posing as supporters of decolonisation.¹⁰³ Inevitably, the anti-colonial liberation struggles became imbricated in post-1945 superpower ideological struggles. Postcolonial Africa became a terrain for some of the most brutal and 'hot wars' sponsored by the superpowers in such places as Angola and Mozambique.

Both the US and USSR interfered in African affairs, with the former supporting some of the most notorious African dictators – such as Mobutu Sese Seko of Zaire, as long as he claimed to be opposed to communism – and the latter supporting equally notorious dictators – such as Mengistu Haile Mariam of Ethiopia, as long as he claimed to be a Marxist revolutionary. At the economic level, the US and its Western partners opposed and undermined any development initiative that was not authorised by the Bretton Woods institutions and, worse still, all those that were informed by communist thought. Consequently, Africans were 'thus impeded from exercising

the basic and fundamental right to make decisions about the future'.¹⁰⁴ Adebayo Adedeji, a former Executive Secretary of the United Nations Economic Community for Africa (UNECA), identified what he called 'the operation of the development merchant system (DMS), under which foreign-crafted economic reform policies have been turned into a kind of special goods which are largely and quickly financed by the operators of DMS, regardless of the negative impact of such policies on the African economies and politics'.¹⁰⁵ What emerges clearly here is that what Adedeji describes as DMS carries coloniality, which actively works to deny agency to Africans to chart an autonomous path of development.

POST-COLD WAR TRIUMPHALISM OF NEOLIBERAL ORDER

Francis Fukuyama¹⁰⁶ argued that the end of the Cold War indicated, firstly, that there emerged 'a remarkable consensus concerning the legitimacy of liberal democracy as a system of government'; secondly, 'that liberal democracy may constitute "the end point of mankind's ideological evolution" and the "final form of human government"' (end of history); and thirdly, that 'liberal democracy was arguably free from such fundamental internal contradictions', unlike earlier forms of government, hence it was the future. But historically speaking, and from an African side, by the late 1970s African economies underwent prolonged recession. The Washington Consensus emerged as a Western initiative of managing the economic recession. Western welfarism informed by Keynesianism was replaced by neoliberal principles that privileged market forces in the struggle against inflation.

The Washington Consensus was constituted by a set of ideas and institutional practices that began to dominate the world economy from the 1970s onward. At the centre of the ideas and institutional practices unleashed by the Washington Consensus was a neoliberal development merchant system. David Harvey¹⁰⁷ emphasised that 'neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade'. In the neoliberal thought, the role of the state was reduced to that of creating and preserving an institutional framework appropriate for the free operation of the logic of the market.¹⁰⁸

What was distinctive about neoliberal advance was its anti-statism philosophy, which culminated in the introduction of Structural Adjustment

Programmes (SAPs) in Africa. The International Monetary Fund (IMF) and the World Bank (WB) directly intervened in African economies through impositions of what became known as 'conditionalities' that eroded the social base of the postcolonial state and exposed it to attacks by the poor African people.¹⁰⁹ The imposition of SAPs took away the little that was remaining of African people's control over economic policy. The Washington Consensus and the neoliberal order it supported inaugurated what can be termed the coloniality of markets. But before turning to the analysis of the coloniality of markets, it is important to analyse the consequences of another global event that impacted on Africa, which is that of the 9/11 (11 September 2001) terrorist attack on the US.

THE POST-9/11 ANTI-TERRORIST AND SECURITISATION ORDER

In the wake of 11 September, Africa began to feature prominently in Western discourses of security in general and the emerging US anti-terrorist security paradigm in particular. Africa became increasingly identified as the home of weak and failing states that pose a threat to global security. It was Robert I. Rotberg who emphasised that the 'problem of failed nation-states' transcended the 'previous humanitarian dimension', even though 'the phenomenon of state failure is not new'.¹¹⁰

It is important to emphasise that post-9/11, Africa, which has been previously approached as a development and humanitarian case, immediately became framed as a security concern. It became a global risk area ('terror thrives in Africa's rich ruins').¹¹¹ The consequences have been that the powerful US and its North Atlantic Treaty Organisation (NATO) partners have not only been justifying the establishment of military bases (for example, US Africa Command [AFRICOM]) on the African soil as part of the US' global anti-terrorism strategy, but have also been abusing the noble principles of the Right to Protect (R2P) to intervene in particular African affairs and directly play a role in the removal of hated African leaders from power.¹¹²

The perfect example has been the NATO military intervention in Libya that resulted in the killing of Colonel Muammar Gaddafi in 2012. This direct military intervention in Libya, a country that is richly endowed with oil, raised questions about the connections between this event and the new scramble for African natural resources. The US and its partners have used the discourses of exporting democracy and human rights as covers for the pursuit of long-term imperial/colonial interests. These issues are captured in Horace Campbell's *Global NATO and the Catastrophic Failure in Libya*

(2013), where he highlights how military force is continuously being used to impose the US and its partners' will on the rest of the world. The global financial crisis that rocked Europe and America has added to the rise of a new scramble for African resources as part of recuperation.

COLONIALITY OF MARKETS AND THE NEW SCRAMBLE FOR AFRICA

The leading European philosopher Slavoj Žižek¹¹³ declared that capitalism and neoliberalism died twice – as a political doctrine and as an economic theory, first being shaken by the terrorist attack on the US in 2001 and then being adversely affected by the capitalist global financial crisis of 2008. Based on these two arguments, Žižek motivated for a return to the socialist path as the future. The reality on the ground indicates that capitalism has managed to transcend the two storms. Capitalism is continuing on its deployment of the long-standing strategy of primitive accumulation as part of deepening exploitation of large parts of the world, while along the way raising the speculative interests of finance capital and industry to even higher levels, involving the selling and buying of money itself.¹¹⁴

Because of high levels of mechanisation and technologisation of industry, labour has lost its value as a well-spring of capitalism.¹¹⁵ This is taking place within a context of increased cultures of consumption. But what are scaring are the continuous tensions between the inexorable march of capital and the long-standing struggles for popular democracy and distribution. It is this reality that indicates that coloniality of markets, that is the reduction of every valuable thing to a commodity and judging its value through marketability, including knowledge and life itself, is problematic. Coloniality of markets is also meant to capture the current triumphalism of capital involving intensified identification of new sites of accumulation and investment, over and above the popular human demands for a better life and material security.¹¹⁶

The coloniality of markets is today driving the new scramble for African natural resources at a time when there is also an increasing Afro-enthusiastic discourse of an Africa that is 'rising', which celebrates increasing demands for African raw materials as a sign of economic growth, instead of deepening coloniality.¹¹⁷ The celebrated so-called 'Africa rising' phenomenon is taking place at a time when there has been an increased number of powers competing over Africa's natural resources, including Brazil, India, China and Russia on top of those from Europe and North America. A development based on intensification of resource extraction by diverse partners, rather

than industrialisation, is nothing but a manifestation of the coloniality of markets.

CONCLUSION

Genealogies and lineages of coloniality dealt with here indicate that the world system has remained resistant to decolonisation, and that the world orders it has been proposing and producing are impervious to deimperialisation. This reality explains why development in Africa remains one of the most enduring challenges. Decolonisation did not produce a genuinely postcolonial world in which Africans took charge of their developmental trajectory. African development has been made to be dependent in orientation. The Bandung paradigm of development that was premised on decolonisation was frustrated and defeated by global colonial matrices of power. What is needed is for Africa, together with the rest of the global south, to intensify the unfinished decolonisation struggles at this time, remaining extremely vigilant about the subversive global imperial designs that continue to sustain an asymmetrical world system and to reproduce a subaltern position for Africa.

Decolonisation must robustly engage with Euro-North American-centric epistemology that continues to sideline knowledges from other parts of the world that are more relevant to the realities of the struggling peoples of Africa. The long-standing notions of being founded on racial classification and the hierarchisation of the human population must be totally rejected. Once these three holy cows of Eurocentrism are dethroned, it is possible for a new humanity to be born. A new pluriversal world would be possible and development would be realised.

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Africa and Global Recessions

Options for reducing vulnerability in future

Theresa Moyo

INTRODUCTION

Since the Great Depression of the 1930s, the recurrence of global crises has become the subject of extensive debate in both the advanced countries and the less industrialised regions in the south. Major concerns are around the persistence of the recession phenomenon and its adverse consequences for economic growth, employment and human development. The impacts may differ, but there are similarities in that a recession is typically characterised by falling output levels and gross domestic product (GDP) growth rates. Unemployment usually occurs, as companies or businesses try to reduce costs. With declining output and employment, incomes accruing to households fall. Although many countries respond through a variety of policies and strategies, the question is: how effective are those interventions in providing a lasting solution to these crises?

A recession can be defined as a significant decline in economic activity, lasting more than a few months. It normally occurs during the down swing, or contraction phase, of a business cycle. A common feature of a recession is the economic slow-down which manifests itself in terms of declining real GDP growth, real personal income, employment (non-farm payrolls), industrial production and wholesale-retail sales.¹ It can also be accompanied by a decline in the availability of credit, shrinking output and investment, numerous bankruptcies, reduced amounts of trade and commerce, as well as highly volatile relative currency value fluctuations (mostly devaluations), financial crises and bank failure. Some scholars refer to the notion of a severe recession, which is defined as a toxic mixture of deflation, a liquidity trap and debt deflation.² Sluggish markets and falling aggregate demand characterise such recessions. This creates excess supply, which inevitably leads to a fall in prices. In essence, recessions generally imply a prolonged contraction in economic growth and employment, and this may also spill over to declining performance in financial and other markets.

Recessions can occur not only at a global level, but also at an individual country level. Examples where country-level recessions took place are Argentina, Russia and Ukraine. Argentina experienced a recession from 2001 to 2002. It was one of the largest economic declines in the country's

history. Its GDP dropped by 10.9 per cent in one year, while unemployment increased by about 21.5 per cent and total consumption decreased by 12.9 per cent.³ Social upheaval resulted from the crisis: violent demonstrations, confrontations between the police and citizens, destruction of properties owned by banks and foreign companies, and fires set in avenues in Buenos Aires.⁴ Recessions clearly have adverse economic, social and political consequences and that is why the quest for a lasting solution to such crises has now become a topical issue globally.

The recent global financial crisis started in the United States of America (US) during the summer of 2007. Its immediate cause was as a liquidity shortfall in the US banking system. It is widely acknowledged that a major crisis was sparked by the collapse of the Lehman Brothers in 2008, and it is believed that excessive mortgage lending by the company and other related institutions led to a housing boom. Due to poor risk assessments and management, bad loans and subsequent defaults occurred, leading to a liquidity squeeze and the collapse of many banks and investors involved in the mortgage financing market. It was the large deficits in the US, the United Kingdom (UK) and other advanced economies that triggered the crisis.⁵ They were financed by excess savings from emerging economies and oil exporters. In addition, the use of expansionary monetary policies, misperceptions of risk and laxity in financial regulations also played a key role. In the US, GDP fell by 3.8 per cent in 2008. This was followed by a massive decline in business fixed investment. Total employment fell by more than 5.8 per cent.⁶

The recession in the US had a contagion effect around the world as growth declined, because businesses in the advanced economies were scaling down production and also retrenching workers. At least 500 000 businesses in the United States failed during the last 10 recessions since World War II.⁷ Hard-hit countries include Armenia, Mexico, South Africa, Turkey, the Baltic States and Ukraine.⁸ The crisis was not self-correcting, as could be expected from conventional market economics. Instead, it took massive intervention in the form of a fiscal stimulus package to restore stability. As one critic noted, the crisis had proved the fallacy of neoliberal ideology, which adheres to the belief that, provided governments do not interfere with them, markets can correct any episode(s) of instability.⁹

In a co-edited book on the impact and effects of the crisis in Asia, Africa and Latin America, a group of scholars shows that the crisis had similar effects, albeit with differing magnitudes.¹⁰ They argue that the most affected countries were those that were largely primary commodity exporters. In Latin America, most of Central America and Mexico were negatively affected

because of their close integration with North America. In Africa, a number of commodity producers and exporters (oil and mineral products) experienced declining export sales as demand dropped in Europe and the US. The Democratic Republic of the Congo (DRC), Cameroon, Gabon, Nigeria, South Africa, Kenya and Tanzania were among those that were adversely affected.

The book also highlights that responses to the crisis were mainly in the form of Keynesian-style countercyclical fiscal policies, the effectiveness of which also varied depending on the capacity of governments to raise the required budget resources for fiscal stimulus packages. The authors argue that in countries such as the Republic of Korea, where the government was more aggressive in its implementation of fiscal and monetary policies and was also able to invest substantial amounts into fiscal stimulus programmes, the interventions were effective. In Africa and Asia there were mixed results, as some governments could not afford similar packages. While Keynesian policies were useful, some of the authors argue that they were not sufficient to deal with a problem which has its roots in the unequal power relations between the north and south. They recommend that developing countries should diversify their export markets (particularly in terms of intra-regional trade) and also improve their efforts to increase manufacturing value add instead of continuing to depend on commodity exports, which always makes them vulnerable in times of crisis.¹¹

Focusing specifically on Africa, the continent has not been immune to global recessions. The most recent one, which occurred over the period 2007–2009, affected a number of countries on the continent, even though analysts argue that the impact in Africa was much less than that of other regions because few countries in Africa are integrated into the global economic system. Despite the lower impact, events of the last crisis have brought to the fore the challenge of the persistence of Africa's vulnerability to external shocks. The continued dependence of most of the countries on commodity exports (mostly oil, minerals, and export crops such as coffee, tea and cocoa) contributes towards that vulnerability. The fall in output and rise in unemployment in affected countries have also led to rising poverty. This chapter is therefore motivated by the urgent need to find a sustainable and long-term solution to reducing Africa's vulnerability to global crises.

The rest of the chapter is structured as follows: The next section gives an overview of the impact of the crisis in Africa. It is followed by a critical appraisal of different perspectives on the causes of global recessions and the kind of remedial actions which they propose. The section is followed by a presentation of evidence from the literature on policy and strategic responses to the crisis. The appropriateness and adequacy of the responses

are analysed in the context of the theoretical debates which are reviewed. The analysis is used to identify feasible interventions to minimise the continent's vulnerability in future. Finally, conclusions and recommendations are proposed.

AFRICA AND THE GLOBAL ECONOMIC AND FINANCIAL CRISIS: IMPACT AND RESPONSES

A review of the literature shows that the global financial and economic crisis caused serious setbacks to Africa's economic growth momentum. The growth rate of most countries declined during that period, and recovery was slow. The worst affected countries were commodity exporters, in particular the oil exporters, because of declining prices. Examples of affected countries were Angola, Botswana, Chad, Gabon, Republic of Congo and Nigeria. In countries such as the DRC, the mining sector lost close to 10 000 jobs.¹² Two negative external shocks had a significant impact on the continent: (i) a 'financial shock' (FS) involving the curtailment in the availability of credit; and (ii) a 'trade shock' (TS), which is reflected by a reduced demand for Africa's exports.¹³ Rising prices of natural resources and other commodities had contributed to Africa's strong economic growth over roughly the last decade, noting that, during the 2003 to 2007 pre-crisis period, for instance, the GDP growth of Africa's resource-intensive countries averaged 7.8 per cent per annum, compared with 5.4 per cent for their non-resource-intensive counterparts.¹⁴ This period coincided with substantial increases in commodity prices, but this was reserved in the case of most commodity exporters.¹⁵

Using International Monetary Fund (IMF) estimates, Fosu indicates that GDP growth for sub-Saharan Africa (SSA) fell from 7.1 per cent in 2007 to 5.6 per cent and 2.8 per cent in 2008 and 2009 respectively, and that effectively, as a result of the crisis, economic growth in Africa declined by 60 per cent between 2007 and 2009.¹⁶ He also observes that it worsened macroeconomic stability as consumer price inflation increased. Fosu further argues that, before the current crisis, the region seemed to be marching towards economic prosperity. For a decade, SSA's GDP growth had eclipsed that of the world. He points out that, since the mid-1990s, the growth had been translated into substantial poverty reduction. This progress on poverty had rivalled that of Southeast Asia, despite the stronger GDP growth in that region. Moreover, human development had increased over the same period.¹⁷

Fosu adds that the foreign exchange reserve positions of a number of commodity exporters declined. For example, the official reserves of Angola were

projected to decrease from 15 months of imports in 2008 to nine months in 2010, as a result of collapsing oil revenues. In Chad, reserves were projected to have fallen from four months of imports in 2008 to a mere two months in 2010.¹⁸ He also reported that Ghana's reserves had been at precarious levels of at, or below, two months of imports over the previous 12 months, which contributed to a deterioration of the cedi by 45 per cent between October 2008 and 2009.¹⁹

In South Africa, the crisis adversely affected the automobile, textile and clothing industries. Evidence shows that as a result of falling external demand, there was a decline in export volumes, sales, earnings and employment levels in those sectors.²⁰ According to Statistics South Africa, the job losses in the formal non-agricultural sector amounted to 67 000 from the first to the second quarter of 2009, following the reduction of 186 000 jobs in the first quarter of 2009.²¹ The declining activity in the mining sector of the DRC caused 100 000 lost jobs.²²

Nigeria also experienced some company closures and layoffs of workers. In 2008, Dunlop Nigeria Plc., the only surviving tyre manufacturing company, shut down its plants and laid off hundreds of workers, placing others on half remuneration. In the textile sector, about 5 000 workers were forced out of jobs in late 2008. A Nigerian auto assembly company, Peugeot Automobile Nigeria (PAN), sacked 565 workers of its 753 workforce, and placed the remaining staff on half salary. Similarly, the confectionery maker, Cadbury Nigeria Plc., fired 300 staff, while in the banking sector, which seemed to be the worst hit, sacking was carried out on a massive scale and was still ongoing.²³

From the few examples presented above, it is evident that the global economic and financial crisis had a contagion effect on some African countries, particularly those which were integrated into the global economy through their commodity exports. As had happened in advanced countries, they suffered losses in economic growth, employment and export revenue.

THEORETICAL PERSPECTIVES ON CAUSES OF GLOBAL RECESSIONS AND REMEDIAL MEASURES TO ADOPT

There are different perspectives on the causes, effects and strategies required to prevent global recessions. It is important to understand the different approaches and their policy and strategic implications for Africa's quest for a sustainable and effective solution to reducing its vulnerability. While there are many different views, the major ones are discussed below.

First, there is what is popularly referred to as the mainstream, conventional, traditional, orthodox economics or neoliberal approach. Secondly, there is the Keynesian perspective. Thirdly, we have what can be termed radical political economy perspectives. These include the traditional Marxist school, based on Karl Marx's views on the contradictions and conflicts which are inherent in a capitalist system, dependency theories associated with Andre Gunder Frank, and new democratic Marxist perspectives associated with people such as Samir Amin.

Mainstream economics is anchored in the notion of the supremacy of markets as a mechanism for the efficient allocation of scarce resources. It is embodied in the classical economics of people such as Adam Smith, who coined the notion of the invisible hand of the market, an image that denotes the power of market forces of supply and demand to manage economies throughout their downswings as well as upswings.²⁴ This notion was, however, challenged during the Great Depression of the 1930s, when Europe went through a recession and a liquidity trap. That was when economists such as Keynes advocated that it was necessary for government to intervene in order to stimulate aggregate demand through fiscal and other measures. So, during the 2007/2008 recession, this was the path that many countries followed.

Marxist perspectives (based on the philosophy of Karl Marx) argue that capitalism is a system which has inherent contradictions that inevitably lead to its self-destruction.²⁵ In Marxian analysis, the capitalist system is dominated by private ownership of the means of production. Owners of capital hire labour in order to produce goods and services that are sold for profit. The primary purpose of the system is to maximise profits, and there is a tendency to pay low wages, or suppress the growth of wages, in order to increase the share of production which goes to capital. This is the source of capitalist accumulation. Low wages are resisted by workers who express their protests in various forms (for example, strike action, work stoppages, slowdowns, consumer boycotts and other forms of resistance). In its extreme manifestation, such resistance takes the form of a social revolution, where workers overthrow the capitalist system and create a government that represents the interests of workers, peasants and all the oppressed. Thus, the rift between capital and labour leads to the destruction of the system and its replacement by an egalitarian system where the state represents the interests of the workers and other oppressed groups in society.

Contrary to a market-based economic model which views capitalism as a natural, permanent and self-equilibrating system, some radical critics of neoliberal perspectives argue against the naïve or simplistic assumptions

of mainstream or conventional economists who model their policies on the assumptions that markets are efficient and self-regulating, and that any disequilibrium that occurs in any market is temporary and can be corrected through supply and demand adjustments.²⁶ They criticise neoclassical assumptions that market economies are inherently stable, leading to a state of equilibrium, and the notion that if disequilibrium occurs, it is temporary and can be corrected through an adjustment process unleashed by forces of supply and demand. The process is assumed to work such that the economy is put back on a path of self-sustained growth.

Chossudovsky challenges the notion of a self-equilibrating system on the basis that it fails to understand the function of the real world in which various stakeholders, often with conflicting interests, can influence or dominate the system in a manner which prevents the kind of automatic adjustment that mainstream economics advocates. He further argues that the real world is characterised by political power and interests, which definitely determine market outcomes and the distribution of income. Unequal political and economic power leads to a system which enriches the very few at the expense of the vast majority. That is why, in his view, the global economic crisis has contributed to widening social inequalities, both within and between countries.²⁷

The destruction of the middle class, as with the lower classes, further erodes consumption or absorptive capacity, and consequently aggregate consumption and demand. In the US, Chossudovsky explains that it was the erosion of the incomes of these classes that led to diminishing consumption and recourse to borrowing.²⁸ Due to the declining income, the situation led to a ballooning household debt.

The new democratic Marxist analytical framework builds on the foundation of Marx's political economy. It goes further, however, by taking into account the increasingly complex and dynamic nature and character of capitalism in the era of globalisation, which unleashes crises of overproduction and accumulation on a much larger scale than during the Victorian era, upon which Marx based his analysis.²⁹ The modern era is one of globalisation, a phenomenon which is characterised by, among other things, an unprecedented global expansion of capital from the centre (the so-called developed or industrialised world) into less developed and less industrialised regions, commonly referred to as the periphery. Such expansion has been made possible through a technological, infrastructural and communications revolution that enables transnational capital to expand its production, distribution and marketing networks around the globe. It has also been made possible by the rapid growth of a global financial network, consisting

of commercial banks, insurance companies and mortgage financing institutions, and capital and money markets that facilitate and finance trade.

The entire system is driven by the ideology of the market, because of the perception that markets lead to efficient allocation of resources and promote economic growth, which in turn should improve human welfare through the employment generated. Although markets have led to economic growth and created employment, this has not always been the case across regions and over different periods of time. Evidence shows that the global economy, and even nations, tend to experience cycles of boom and bust, which are related to fluctuations and imbalances between supply and demand. As explained in the Introduction, the recessions of the 1930s and 2007/2008 provide evidence of the instability of the system, which arose because of massive declines in aggregate demand in the face of over-accumulation or overproduction.

New democratic Marxists explain that global recessions are a reflection of a fundamental flaw in the working of the capitalist system. They are a symptom of the contradictions of a system which, on the one hand, can achieve unprecedented growth in the production of goods and services, whilst on the other eroding the capacity to consume that output. Consequently, it fails to reproduce itself. Thus, the crises of capital in the era of globalisation are its persistent and deepening overproduction through ever expanding new markets, against a systemic inability or incapacity for consuming the production. The decline in consumption in the face of over-accumulation leads to falling prices and economic stagnation, which can last for relatively long periods of time unless there is some intervention. Essentially, in such circumstances, market forces alone cannot correct the disequilibrium. It requires massive intervention.

Neoliberal thinking is said to have given rise to (i) growing inequality between wages and profits and among households; (ii) the occurrence of large asset bubbles; and (iii) a financial sector which has become increasingly absorbed in speculative and risky activities because of weak regulations and monitoring. It is also said that inequality grew rapidly in the neoliberal era, particularly in the period from 2000 to 2007. It was observed that whereas average hourly earnings of nonsupervisory workers declined, output per hour grew by almost 60 per cent, an indication that most productivity gains were distributed to capital. By the mid-2000s, the degree of inequality among households had reached a level not seen since 1929.³⁰ It was this growing inequality which led to a contraction in aggregate consumption against rising production, profits and accumulation.³¹

Amin's analysis appears to be consistent with the new democratic Marxist perspective. He is among the most radical critics of the neoliberal interpretation and analysis of the causes of global recessions and the recommended remedial measures. Using a Marxist theoretical line of argument, Amin explains that global crises reflect the underlying contradictions within the capitalist or market system. Unequal power relations, in which owners of capital seek to maximise profits by suppressing labour and paying low wages, create the seeds of the system's own destruction. In his opinion, the quest for profit has led to the expansion of corporate capital beyond the borders of the US, Europe or Japan. Through what he refers to as transnational corporate capital and global financial networks, production expands across the globe.

This leads to what he calls global capitalist accumulation. Since the system thrives due to suppression and exploitation of labour, he refers to the process as 'accumulation by dispossession'. That is why he argues that accumulation is synonymous with pauperisation. It is a growing phenomenon, which is sustained by the power of oligopolies from advanced countries and also the political power of the governments that support them. Amin describes this phenomenon in these words:

Accumulation by dispossession continues in front of our eyes in the late modern capitalism of the contemporary oligopolies. In the centres, monopoly rents – the beneficiaries of which are the oligopolistic plutocracies – are synonymous with the dispossession of the entire productive basis of society. In the peripheries, this pauperising dispossession manifests itself in the expropriation of the peasantry and the plundering of natural resources of the regions in question. These practices constitute essential pillars for the expansion of the late capitalism of the oligopolies.³²

Capitalist accumulation breeds inequality both within the countries of the north and the periphery. Inequality arises due to the growing gap between capitalist rent or surplus and the low or declining wages that are paid to labour over time. This inequality also occurs within the economies of the advanced countries as well as the periphery, and leads to a reduction in consumption and aggregate demand – yet this is so important for the expansion of production and profits. The above arguments led Amin to the conclusion that the current crisis is

neither a financial crisis nor the sum of multiple systemic crises, but the crisis of the imperialist capitalism of oligopolies ... This crisis is, at the same

time, a crisis of US hegemony. Taken together, the following phenomena are inextricably linked to one another: the capitalism of oligopolies; the political power of oligarchies; barbarous globalisation; financialisation; US hegemony; the militarisation of the way globalisation operates in the service of oligopolies; the decline of democracy; the plundering of the planet's resources; and the abandoning of development for the south.³³

These different theoretical perspectives have implications for designing future interventions to prevent recessions. Mainstream approaches advocate that there should be no interference with markets, since they have the capacity to correct any disturbance. This has, however, been clearly refuted by the recurrence of global recessions and the fact that many countries, including advanced capitalist economies, saw the need to intervene through fiscal and monetary policies. In most cases, governments opted for strengthening regulations and also using fiscal packages to stimulate aggregate demand.

In terms of traditional Marxists and new democratic Marxists, both mainstream and conventional economics do not actually address the real issues at the root of global recessions, namely: the inequalities in political and economic power, distribution of income and wealth, and the dominance of global economies by what Amin refers to as oligopolies or transnational corporations. Such inequalities cannot be eradicated simply by using government bailout packages. Traditional Marxists see the solution as the overthrow of capitalism and its replacement by a state that represents the interests of labour and other oppressed groups.

New democratic Marxists have similar views, except that, unlike traditional Marxists, they have a global perspective or outlook, given the nature of capital in the era of globalisation. In line with Marxist thinking, they advocate a transformative, egalitarian/just and progressive society which, in their view, can come about through the struggles of workers, peasants, grassroots movements and other oppressed classes, all mobilising and partnering with similar groups in advanced countries to fight and challenge global capital. Although few would question the legitimacy of such a struggle, the feasibility or practicality of such a solution is doubtful, particularly in the context of a world in which the market model or neoliberal capitalism has become dominant or entrenched, not only in advanced economies, but also in the developing nations. Not only is it dominant, but as Amin and others observe, it is a system that is sustained by the proliferation, expansion and increasing power of transnational capital, global financial networks and their collusion with weak governments in most of the countries on the periphery.

So, the question is whether it is possible to find more sustainable strategies to reduce Africa's vulnerability to global recessions. It is possible to pursue multi-dimensional and multi-level strategies which adopt not only aspects of Keynesian thinking (the role of the state in regulating the market), but also those which begin to address some of the structural root causes. For example, the implementation of Africa's structural and industrialisation agenda is a path which is crucial for transforming the continent from being a primary commodity producer and exporter to one which manufactures finished goods on a larger scale than ever before. It also has the potential to increase employment and to reduce poverty and inequality in income distribution.

Industrialisation alone, of course, cannot solve the problem of inequality. Fundamental reforms in property rights, access to productive resources such as land, and access to technology, education and training, are equally important in order to build democratic and egalitarian political and economic systems.

CRITICAL APPRAISAL OF RESPONSES TO THE CRISIS

It is evident from the literature that responses to the crisis were largely informed by Keynesian economic thinking. Countries tended to adopt Keynesian interventionist measures in the form of fiscal stimulus packages. Even proponents of the market (including the World Bank), admitted that traditional market policies were inadequate to address constraints in conditions of excess capacity and deflationary pressures. The scale of intervention varied, however, from region to region.

Generally, the interventionist measures were deemed to be effective in that they stimulated economic activity and prevented deflationary pressures. Fiscal measures included increases in government expenditure (expansionary fiscal policies), which were designed to increase aggregate demand. They also included reductions in tax rates, in order to stimulate both aggregate demand and supply. Both policies were expected to raise the level of household consumption, which would, in turn, boost an increase in demand that business needed for recovery.³⁴ Proponents of these forms of intervention argue that when the recession is severe (as evidenced by, for example, large declines in output and increases in unemployment), the ideal solution is to introduce large fiscal stimulus packages and to apply more expansionary monetary policies.

The responses of African countries to the crisis were similar to those of advanced countries, although the scale of interventions was much smaller in magnitude. Affected countries introduced stimulus packages in order to revive their economies. These included fiscal and monetary policies and lowering of interest rates. In Kenya, the government increased expenditure by 25 per cent and set a target of six per cent for the budget deficit over the period of 2009 and 2010. The government also reduced value-added tax (VAT) on electricity by 25 per cent in order to stimulate the economy. The Central Bank adopted an expansionary monetary policy, which included a cut-off policy rate.

In Tanzania, the package included a 31 per cent increase in government expenditure on infrastructure. It also widened the tax base and introduced a number of exemptions in order to stimulate the economy. In addition, the government implemented an expansionary monetary policy, and also introduced an emergency programme which provided loan guarantees to the banking sector over a period of two years after the end of the recession in 2009. Uganda's fiscal package included an increase in government expenditure in order to support infrastructure and the agricultural sector. An easy-money policy was also implemented. In the case of Zambia, the government opted to run a deficit of 2.6 per cent of GDP.

South Africa had one of the largest stimulus packages on the continent. The government adopted a countercyclical fiscal policy position, where US\$100 billion was spent on public investment over the period 2010 to 2012. The South African Reserve Bank (SARB) also followed an expansionary monetary policy. During the period 2008 to 2009, it cut the policy rate in order to compensate for the 35 per cent decline in foreign direct investment (FDI).³⁵

Similar strategies were used in a number of Asian countries. They used fiscal stimulus packages which largely consisted of fiscal expenditure on infrastructure, the use of tax cuts and increases in social safety-net programmes, particularly cash transfers to vulnerable groups. Evidence³⁶ points to China having introduced one of the largest stimulus packages in the region. The government introduced a US\$586 billion stimulus package (representing 12 per cent of GDP). This served to finance various infrastructure projects, such as rail, air and road transport, earthquake reconstruction, public housing, rural infrastructure (including electricity, water and roads), technological innovation, energy and environment (including water sanitation, sewage and restoration).

The World Bank also reported that in 2009, the Democratic Republic of Korea introduced a US\$53.1 billion stimulus package (representing 6.8 per cent of GDP). This included different types of tax cuts (for example, cuts

in corporate and income tax, fuel and tariff taxes, reduction in investment tax), as well as the introduction of a long-term investment fund, and the introduction of tax rebates and subsidies for wage earners, the self-employed, bus drivers, truckers, farmers and fishermen. Government also gave state-owned banks a capital injection, and increased government expenditure on infrastructure projects. This included support for small and medium-sized enterprises (SMEs) and low-income families. Another package was for US\$12.6 billion (3.4 per cent of GDP), of which the fiscal spending was US\$4.9 billion (0.8 per cent of GDP). It also included an emergency support programme for the poor, which consisted of temporary public expenditure projects (US\$1.8 billion), temporary income support for the poor (US\$378 million), financial support for small businesses (US\$350 million), contribution to regional credit guarantee funds (US\$350 million), expansion of basic livelihood security programmes (US\$205 million) and financial support for the unemployed (US\$191 million).³⁷ Cash transfer programmes were also introduced or expanded in order to cushion lower income families against the recession.

Even though fiscal stimulus interventions contributed to the restoration of stability and growth in the US and Europe, employment and income levels were still below the pre-crisis levels. This indicated that the policy interventions were inadequate.³⁸

CONCLUSION

Based on an extensive review of the theoretical and empirical literature, this chapter argues that reliance on conventional market-based solutions (or what radical critics refer to as neoliberal or orthodox approaches), such as, for example, the adoption of Keynesian-type stimulus packages to increase aggregate demand, can only provide short-term solutions, because they do not address the fundamental or root causes of crises. While such policies may indeed stimulate aggregate demand, which may in turn unleash supply-side responses that are needed to reverse declining output and employment, they do not prevent the recurrence of a crisis due to policy and institutional failures, risky market behaviour and the speculative activities that may result.

What is required is a multi-dimensional and multi-level framework in which systemic and structural causes of crises are addressed. While acknowledging the validity and legitimacy of the arguments offered by some radical perspectives (for example, the new democratic Marxists), the chapter

argues that, given the stark reality of the dominance of transnational and corporate capital in the era of globalisation – a dominance that continues to determine and shape political, economic, social and cultural life in Africa and other regions of the periphery – African states should pursue a more pragmatic and contextual development agenda. This agenda should consist of, among other things, rethinking of the increasing trend towards deregulation, democratisation of the state and governance, intensification of the continental agenda for structural transformation and industrialisation, as well as a need to design a more equitable international trading and financial system.

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No African Futures without the Liberation of Women

A decolonial feminist perspective

Akhona Nkenkana

INTRODUCTION

The central assertion of this chapter is that the creation of futures for Africa should entail the liberation of African women. It posits that the course of gender transformation has remained the weakest in the drive for African futures, and this is as a result of the unchanging global power structure that Africa finds itself in, which is marked by hierarchies on the basis of gender, race, religion, class, and so forth. The chapter further problematises the manner in which the discourse of gender transformation is pursued in general, and in Africa in particular, as it remains deeply embedded within the patriarchal snares, where ultimately the efforts are mainly to incorporate women in the same patriarchal system, rather than pursuing radical transformation that seeks to destroy the systems and structures of patriarchy. The chapter therefore questions the so-called gender transformation based on just numerical representation without looking at the fundamental systematic and structural transformation of patriarchy.

The African Union (AU), in its efforts towards determining and defining Africa's futures, has come up with a document envisioning African futures known as Agenda 2063. Agenda 2063 is said to be a call for action, a strategic framework and roadmap to achieve continental development goals. It is said to be representing a collective effort and an opportunity for Africa to regain its power to determine its own destiny, and is underpinned by the AU's vision to build an integrated, prosperous and peaceful Africa, an Africa driven and managed by its own citizen and representing a dynamic force in the international arena. It is within this background that this chapter locates its conception of what African futures mean.

Gender equality, especially the rights of women, occupy an increasingly important place in the global and African political discourse and, by implication, has significance for the development discourse as enshrined in the ideals of the futures and visions of Africa. However, very little is known on how the gender instruments adopted by the AU and domesticated by member states are used in the pursuit of Agenda 2063. The realisation of African futures through gender equality remains quite blurred. Olga Martin¹ notes that the growing recognition of the leadership role of women in all

spheres of development, including their participation in decision-making at the international, regional and national level, is reflected in the creation of platforms of action related to gender. It is in this context that the AU has developed a gender policy and other instruments that focus on addressing gender inequalities and adopted a new resolution in 2011 that calls on countries to take concrete steps to increase women's political participation and leadership and report back to the United Nations (UN) Secretary General.

GENDER AND PATRIARCHY

Despite the fact that Africa's organs of state and governance have jointly deployed various efforts towards women emancipation, measures such as numbers of women in parliaments and in high positions of state and governance have not translated into genuine liberation of women. The results of the efforts made, instead, are transpiring as efforts of incorporation of women within the patriarchal system they reject, or a process of 'menisation' of women, whereby men and their roles in societies are used as a benchmark to measure the transformation of women. The extent to which women perform a 'man's job' is deemed to translate into emancipated women.

The clarification of the question of gender is not only important, but fundamental too, in that its importance lies in the clarification of gender transformation beyond the numbers game that distorts the fundamental problem of gender and women oppression. The effort of gender transformation must seek to answer a fundamental question whose preoccupation is to understand the system or order that defines the oppression of women, for it is in the understanding of such an order that a possibility of charting alternatives for better futures could be explored.

Thomas Sankara² noted, in a commemoration of international Women's Day on 8 March 1987, that posing the question of women in Burkinabe society means posing the abolition of the system of slavery to which they have been subjected for millennia. The first step is to try to understand how this system functions, to grasp its real nature in all its subtlety, in order then to work out a line of action that can lead to women's total emancipation.³

Sankara makes a direct connection between the subjugation of women in the post-colonial and the slavery periods, thus suggesting that colonial rule was just a phase of long duration in the making of the global matrices of power termed coloniality. This is a useful observation, because it brings into sharp relief the connections between coloniality of being and coloniality

of power (economic in slavery and political in colonial rule) in the making of a world and nation without women.⁴ Sankara notes this connection between coloniality of being and coloniality of power when he says, '(w)e must understand how the struggle of Burkinabe women today is part of the worldwide struggle of all women and, beyond that, part of the struggle for the full rehabilitation of our continent. The condition of women is therefore at the heart of the question of humanity itself, here, there and everywhere'.⁵

Arguably, Sankara correctly locates the gender discourse within the broader system that defines it. As indicated earlier, he argues that in order for gender transformation to be made possible, we should understand how the system functions, grasp its real nature in all its subtlety, in order then to work out a line of action that can lead to women's total emancipation. Therefore, an understanding of the manner in which gender is defined, particularly its transformation within the broader system that Sankara is alluding to, is to precisely understand the global power structure with which gender is contextualised, structuralised, systematised and defined.

The patriarchal system that gives challenges to a future that limits the true liberation of women is enshrined in the broader global power structure with which the African future is generally entrapped. The dynamics of power structure across the globe – as underpinned and shaped by the colonial-androcentric-neo-traditionalist matrices of power that were described by Grosfoguel⁶ as colonial, racial, patriarchal and hegemonic – continue to hamper initiatives aimed at achieving gender transformation. In functioning within such a structure of power, identity and knowledge, Africa faces a very high risk of reproducing the same future that it is trying to address as far as gender transformation is concerned. The challenge of gender transformation is enmeshed in power, knowledge and notions of being shaped by colonial and patriarchal orders.

Decolonising gender therefore becomes a necessary task, so that answers to what should be done are formulated from the perspective of asking the correct questions. Decolonisation of gender, as defined by Maria Lugones,⁷ is to enact a critique of racialised, colonial and capitalist heterosexualist gender oppression as a lived transformation of the social. As such, it places the scholar in the midst of people in a historical, peopled, subjective/ intersubjective understanding of the oppressing-resisting relation at the intersection of complex systems of oppression. To a significant extent, it has to be in accord with the subjectivities and intersubjectivities that construct, and in part are constructed by, the reality that Maria Lugones⁸ presents. As indicated earlier, this chapter is, conceptually and theoretically, informed and underpinned by decolonial feminist theory as explained by Lugones.

Nelson Maldonado-Torres⁹ indicates that decoloniality is not a singular theoretical school of thought, but a family of diverse positions that share a view of coloniality as the fundamental problem in the current modern age. Maldonado-Torres¹⁰ explained coloniality as global power structure that is related to, but different from, colonialism.

GLOBAL POWER STRUCTURES AND GENDER

The problematic raised in this chapter is that the manner in which gender transformation is articulated and pursued in Africa is imprisoned within a global patriarchal power structure and system that is not amenable to the full success of such an agenda. The asymmetrical architecture of global and African power structures and their patriarchal tendencies therefore continue to impact on the course that futures of Africa are being advanced on. It is for such reasons that this chapter advances a decolonial and a non-patriarchal agenda for pursuing the futures of Africa, in which both men and women are equal role players. The unquestioned systems and orders that define African futures remain a fundamental problem to advancing the course of liberation of women and just societies in Africa. The reason these systems and structures should be questioned is precisely the fact that their logic is found from the historical logic that has created the unequal world we are dealing with today.

Therefore, a historical conceptual context giving logic to this chapter is advancing, as highlighted by Maria Lugones, an understanding of the dichotomous hierarchy between the human and the non-human regarding a dichotomy of colonial modernity. Capturing the need for a historical context when looking at the discourse of gender transformation, Lugones states:

The reason to historicize gender formation is that without this history, we keep on centering our analysis on the patriarchy; that is, on a binary, hierarchical, oppressive gender formation that rests on male supremacy without any clear understanding of the mechanisms by which heterosexuality, capitalism and racial classification are impossible to understand apart from each other. The heterosexualist patriarchy has been an ahistorical framework of analysis. To understand the relation of the birth of the colonial/modern gender system to the birth of global colonial capitalism – with the centrality of the coloniality of power to that system of global power – is to understand our present organization of life anew.¹¹

The history referred to by Lugones helps us to understand the legacy and the depth of inheritance of the colonial system that Africa and its futures continue to grapple with today. Toyin Falola¹² captures the state of Africa and its predicament of inheritance of colonial development. Augmenting Maria Lugones on the importance and justification of understanding the historical context of current phenomena in Africa, Falola notes:

Contemporary Africans have a right to be angry, but they must also probe into the reasons for institutional failure, the roots of which lie in the colonial past. They must question the inherited forms of government, economy and relations between Africa and the West. They must situate the African condition in a global context: a poor continent supports the industrialised West with its labour, raw materials, markets and service payments on debts, among other mechanisms that transfer wealth abroad. They must situate African politics in the context of colonialism: modern political institutions are derived more from the colonial past than the pre-colonial ... The postcolonial seeks its roots in the colonial, alienated from the pre-colonial and established local traditions. The modern country was modelled after the 'colonial country': black governors merely replaced the white ones ... We must also raise the issue of power and autonomy in the global context: to what extent can Africa self-develop? Africa was self-developing before the colonial intrusion. With violence, colonialism created new frontiers, developed new political and economic objectives, and ordered people around. When colonialism was over, Africa began to think about development in colonial, Western terms.¹³

Toyin Falola and Maria Lugones, among others, fittingly capture the main issue that this chapter is centred on. The futures remain affected if the system and structure inherited from the past have not changed in Africa. There is evidence to such. And some of the evidence is presented in this chapter in the form of case studies from Rwanda and South Africa. It is the change of the patriarchal system and structure that will bring about possible equal futures for women in Africa.

Ndlovu-Gatsheni¹⁴ and Maldonado-Torres,¹⁵ along the lines of Falola and Lugones, argue that the fundamental challenge in the context of obtaining African reality is that, since the time of colonial encounters, Africans have not yet been able to take full charge of their own fate – although they are not completely at the mercy of global imperial designs that have been in place since the time of conquest. Africa and Africans have been at the cross-roads since the time of colonial encounters in the fifteenth century. Going

against the global imperial designs of domination, exploitation and racism has proven to be a lifetime struggle for Africans.

The essence of African struggles, as articulated by Fanon,¹⁶ has been to forge new categories of thought, to construct new subjectivities and create new modes of being and becoming. Such a vast struggle cannot be fought on one site (as if it were political theatre only), but must be fought in various domains and realms simultaneously, simply because global imperial designs and colonial matrices of power have permeated and infiltrated every institution and every social, political, economic, spiritual, aesthetic, cultural and cognitive arena of African life.¹⁷

Ndlovu-Gatsheni¹⁸ summarises the predicament of Africa and Africans in a term called 'postcolonial neocolonised world' – referring to the structural, systematic, cultural, discursive and epistemological pattern of domination and exploitation that has engulfed Africans since the conquest. Ndlovu-Gatsheni¹⁹ argues that the new postcolonial nation is historically a male-constructed space, narrated into modern self-consciousness by male leaders, activists and writers, in which women are often cast as symbols or totems, as the bearers of tradition.

Therefore, as articulated by Lugones, Falola, Ndlovu-Gatsheni, Maldonado-Torres and others regarding the inheritance rather than transformation, the manner in which the system and structure of Africa's future is configured limits the articulation and pursuit of gender transformation. The inherited structure produces hierarchies with which the world in general, and Africa in particular, function and among such hierarchies is patriarchy, as indicated earlier. The patriarchal structure, which is found across systems of power in Africa and the world at large, poses a challenge with regard to the necessary gender transformation.

Oyeronke Oyewumi²⁰ argues that gender has been a foundational category upon which social categories have been erected since early times. Hence, gender has been ontologically conceptualised. The category of the citizen, which has been the cornerstone of much of Western political theory, was male, despite the much-acclaimed Western democratic traditions. The argument that gender is caught up in the global power structure that perpetuates the hierarchies that are a barrier in the systematic transformation of gender is found in the concept of ontological conceptualisation of gender, as Oyewumi has outlined:

Understanding the place of gender in pre-colonial societies is pivotal to understanding the nature and scope of changes in the social structure that the processes constituting colonial/modern Eurocentred capitalism imposed.

Those changes were introduced through slow, discontinuous, and heterogeneous processes that violently inferiorised colonised women. The gender system introduced was one thoroughly informed through the coloniality of power. Understanding the place of gender in pre-colonial societies is also pivotal in understanding the extent and importance of the gender system in disintegrating communal relations, egalitarian relations, ritual thinking, collective decision making, collective authority and economies. And thus in understanding the extent to which the imposition of this gender system was a constitutive of the coloniality of power as the coloniality of power was constitutive of it. The logic of relation between them is of mutual constitution. But it should be clear by now that the colonial, modern, gender system cannot exist without the coloniality of power, since the classification of the population in terms of race is a necessary condition of its possibility.²¹

Oyewumi makes a fundamental point in identifying gender as a colonial category and that the concern is not so much to displace culpability for contemporary male dominance to the British colonisers, but rather to begin to recognise and tease out the ways in which the colonial legacy has been internalised and is being reproduced. The degree to which colonial categories have been internalised and have become very much a part of everyday life, even as the culture itself refuses to recede completely but continues to assert itself, is an important issue.²² Indeed, the liberation of women in Africa is caught up in what Maria Lugones termed the darker side of the modern/colonial gender system.

RETHINKING GENDER

Gender transformation that will bring about the desired African futures must not be limited to reporting 'progress' of gender without looking at fundamental systematic and structural transformation of patriarchy. A need for a rethinking of gender transformation that goes beyond numerical representation to fundamental structural transformation is required. This part of the chapter imagines gender beyond statistical representation and provides pointers as to how such an exercise could be done. The chapter asserts that a fundamental problem, resulting in the misinterpretation of systematic and structural conditions perpetuating gender inequalities, is a focus on women as the subject of change in gender transformation and/or mainstreaming and a focus on fitting women into the status quo, rather than transforming the status quo.

Anne McClintock²³ makes an important point, with which a context of the contemporary phenomenon of gender transformation discourse is explored, as she locates the problematic of gender transformation in the broader context of nationalism:

All nations depend on powerful constructions of gender. Despite many nationalists' ideological investment in the idea of popular unity, nations have historically amounted to the sanctioned institutionalisation of gender difference. No nation in the world gives women and men the same access to the rights and resources of the nation-state. Rather than expressing the flowering into time of the organic essence of a timeless people, nations are contested systems of cultural representation that limit and legitimise peoples' access to the resources of the nation-state ... Nationalisms have typically sprung from masculinised memory, masculinised humiliation and masculinised hope ... Nationalism is thus constituted from the very beginning as a gendered discourse and cannot be understood without a theory of gender power.

The importance of McClintock's argument lies in the broadening of the understanding of the implications of African futures as far as women are concerned. This argument helps us understand broadly the implications gender transformation has and the ramifications of African nationalism as the driver of African futures to the historical construct of the global power structures.

April A. Gordon²⁴ asserts that patriarchy, as it currently exists in Africa, must be understood within the context of Africa's peripheral and dependant position within the global power structure (capitalist economy). Gordon²⁵ borrows from Frantz Fanon's idea that the African bourgeoisie desires to mimic its counterparts in the metropole, thus functioning as a subordinate mirror image of the colonial bourgeoisie, as Fanon²⁶ argues. This also draws from Kwame Nkrumah's idea of neocoloniality – the idea of continued colonial power designs that seek to subordinate independent states and their political class to the interests of the former colonial empires.²⁷ In this sense, the African elite are haunted by the scandal of subservience, wretchedness and subordination.

African advancement of gender transformation must understand that gender is not absolute. It is a manifestation of different systems and structures, be it social, economic, cultural or spiritual, within society. The re-writing of African history that continues to disregard women is something that Africa's pursuit of its future should guard against. McFadden²⁸ states that the notion of gender is no longer an idea that can be dismissed

as 'Western' and/or 'other' by an older, formerly hegemonic nationalist discourse, particularly with regards to race and identity. Gender has instead begun to occupy an increasingly central place as a political thinking tool, particularly in terms of comprehensively re-defining African realities within the numerous locations. It is throwing up new discourses that sometimes speak more covertly to unfinished historical tasks relating to our search for freedom as black women and black men.²⁹

Oyeronke Oyewumi,³⁰ among others, argues that in order to understand the structures of gender and gender relations, we must start with Africa. Also, in order to develop valid theories of gender, all types of experiences from around the world must be documented. That is, if structures of gender emerged out of particular histories and social contexts, we must pay attention to the continuous ways in which gender is made and remade in everyday interactions and by institutions. In this sense, then, gender is actually more about gendering – a process – than about something inherent in social relations. Given this, therefore, it is very clear that efforts towards appropriating social relations without unpacking the gendering process which is embedded in the system and structure of patriarchy is to mis-define gender and its transformation.

Augmenting Oyewumi's point mentioned above, Maria Lugones notes:

The elements that constitute the global, Eurocentred, capitalist model of power do not stand in separation from each other and none of them is prior to the process that constitutes the patterns. Indeed, the mythical presentation of these elements as metaphysically prior is an important aspect of the cognitive model of Eurocentred, global capitalism.³¹

Clearly, the understanding of Maria Lugones is that in constituting a social classification, coloniality permeates all aspects of social existence and gives rise to new social and geocultural identities. Quijano³² makes a similar argument:

With the expansion of European colonialism, the classification of geocultural identities such as European, Indian, African, etc. was imposed on the population of the planet. Since then, it has permeated every area of social existence and it constitutes the most effective form of material and inter-subjective social domination. Thus, 'coloniality' does not just refer to 'racial' classification. It is an encompassing phenomenon, since it is one of the axes of the system of power and as such it permeates all control of sexual access,

collective authority, labour, subjectivity/inter-subjectivity and the production of knowledge from within these inter-subjective relations.³³

Therefore, a continuous separation of these encompassing phenomena perpetuates their insignificant efforts as far as gender transformation discourse is concerned. It is in this context that an analysis of intersection of indicators, such as gender, race and class would allow us to redefine the problematic of Africa and Africans, and women in particular. It will help us to understand beyond the numbers game the fundamental problem of African challenges. A proper definition of such issues would then allow us to move forward better in addressing such issues.

Decolonising gender, as Maria Lugones argues, is to enact a critique of racialised, colonial and capital heterosexualist gender oppression as a lived transformation of the social. To a significant extent it has to be in accord with the subjectivities and inter-subjectivities that partly construct and in part are constructed by the reality that Lugones³⁴ notes:

To think the scope of the gender system of Eurocentred global capitalism, it is necessary to understand the extent to which the very process of narrowing of the concept of gender to control of sex, its resources and products constitutes gender domination. To understand this narrowing and to understand the intermeshing of racialisation and gendering, it is important to think whether the social arrangements prior to colonisation regarding the 'sexes' gave differential meaning to them across all areas of existence.³⁵

A decolonial gender transformation for advancing African futures should be that which takes into account Thomas Sankara's fundamental problematic of the meaning of women's emancipation mentioned earlier. Lugones,³⁶ in support of Sankara, argues that an articulation of the colonial/modern gender system, both in the large strokes and in all its detailed and lived experiences, will enable us to see what was imposed on us as a people. She allows us to see even further on the subtle of the system that Sankara observed. That, in fact, the instrumentality of the colonial/modern gender system is subjecting both African women and men in all domains of existence. Lugones, in helping us understand the intersections of gender in our society, notes: 'We need to place ourselves in a position to call each other to reject this gender system as we perform a transformation of communal relations'.³⁷

The state of the global power structure and its limitations in advancing gender transformation, the limitation of African futures as manifesting

in the misinterpreted problematic discussed above, allow us to arrive at what Lugones³⁸ terms 'colonial/modern gender system'. It is important to note that Lugones' framework may very well be critical of the categorical/essentialist logic of modernity and be critical of the dichotomy between women and men, without seeing coloniality or the colonial difference. Such a framework would not have and may exclude the very possibility of resistance to the modern, colonial gender system and the coloniality of gender, because it cannot see the world as accurately as the world is. It is in this context that the Paris Latin American Women's group, as captured in Iman et al.,³⁹ had this to say:

To believe that by switching from one mode of production to another we destroy not only women's oppression but an entire conceptualisation of the world, of the state, of power, women, children, education is to castrate Marxism by reducing it to a very crude form of economism in order to avoid calling into question, first of all, the power, hierarchy and vertical structure of our political organisations and the power which our dear male comrades have held throughout history.⁴⁰

This implies that gender subordination requires to be located not merely in the dynamics of production (or of particular modes) but in a 'net of cultural habits' which are in turn sustained as an activity of both sexes, Haug argues in Iman et al.⁴¹ Iman et al.⁴² emphasise the multi-layered relationships within which women's oppression is produced and reproduced. Gender relations permeate the whole of society; they are structures as well as daily practices. They are always in motion and contested. They are full of contradictions and anachronisms. They are themselves always produced anew. Their foundation is the division of labour in the production of life and the means of living. Thus, the status of women will improve only with the elimination of the system that exploits them, as Thomas Sankara⁴³ opined.

Guided by decolonial conceptions of the global matrix of power encapsulated in three levels (i.e. coloniality of power, coloniality of knowledge and coloniality of being), it is important and fundamental to define the African futures in the context of gender within the context of the different notions of the global matrix of power. This way, an analysis and conception of gender shall not be narrowed down to just an oppression of one by the other, but rather the conception of the intersection of gender, race and class and the conception of gender as a systematic and structural phenomenon inherited from the colonial forms of power.

As outlined earlier, the limitations emanating from the coloniality of gender are at play today and manifest in very shallow ways of belittling the discourse of gender and the emancipation of women to incorporation within the patriarchal system, and the emancipation of women through the numbers game that suggest that to have more women is to resolve the fundamental power relations challenge that is embedded in the system and structure that is gendered, racial and unequal. These efforts, while important, do not provide a clear view of what the futures of Africa could be as far as gender transformation is concerned. It is not clear whether these efforts provide the shifting poles between men and women.

Alternatively, we must define the discourse of gender within the decolonial humanist perspectives where an analysis of gender is not confined to its victims, but includes the structure and the system that have deprived both men and women of humanity and victimised them in one way or another. Decolonial humanism, as far as gender is concerned, must move beyond the use of males as the subjects of humanity which women should be measured against.

Rethinking gender through decolonial humanism must use the tools of analysis of coloniality (coloniality of power, knowledge and being), and unpack such tools and what each mean as far as gender and its transformation are concerned. It is in using such tools of analysis that we begin to seek the humanity through decolonial humanism. This is done so that the image of men that define humanity in the modern colonial world is not taken as a given, but deconstructed beyond the normalisation of the gender hierarchy.

THE CASES OF SOUTH AFRICA AND RWANDA

This section of the chapter briefly provides evidence of the misdefined problematic of gender in Africa. Case studies focus on South Africa and Rwanda, because these two countries are often purported to be good examples regarding gender transformation. The turning point for these two countries is seen as 1994, when in South Africa, for the first time in history, black Africans are afforded equal status to that of whites; and in Rwanda we see a population perishing because of genocide.

Bennet⁴⁴ argues that since the Rwandan genocide in 1994, women have come to play a more important role in the formal sector, although the majority of Rwandan women still work in subsistence farming. Women occupy some of the most important government ministries and make up more than 50 per cent of the country's parliamentarians. Rwanda, which has a population of

11.4 million, must have at least 30 per cent female parliamentarians. In the late 1990s, the Rwandan government passed ground-breaking legislation on topics that are typically considered 'women's issues'. These laws gave women the right to own and inherit land, the right to open a bank account without the authorisation of a male figure, and afforded special rights and protections to children. Furthermore, the African Development Bank⁴⁵ notes that in Rwanda women account for 55.2 per cent of the 4 492 000 economically active people. Women have low rates of employment (34.6 per cent) in the formal public sector. With 83.6 per cent participation in agriculture, women are very engaged in the sector as independent farmers, wage farmers and unpaid family labour.

However, it is important to note that in the aftermath of the genocide, Rwanda found itself a country composed of 70 per cent women, because the genocide had been perpetrated by and largely toward men. There were simply fewer men due to death, imprisonment and flight. Killings also targeted civic leaders during the genocide. Out of more than 780 judges nationwide, for example, only twenty survived. Prior to 1994, women only held between 10 and 15 per cent of the seats in parliament. Out of sheer necessity, and a desire to rebuild their country, women stepped up as leaders in every realm of the nation, including politics. Given this, one can conclude that the progress of Rwanda can fundamentally be attributed to the unfortunate circumstances that the genocide left the country in. These circumstances give Rwanda no option but to utilise the available human resources, of which the majority is women. It is this fundamental circumstance that the progress of gender equality and transformation in Rwanda could be attributed to. The policies towards rebuilding Rwanda after 1994 had to take into cognisance the demographic structure of the country after the genocide.

Therefore, one posits that it is not just the policies to which the gender transformation progress in Rwanda can be attributed. As indicated above, the nature of the demography of Rwanda in the aftermath of genocide played a tremendous role. This argument is permissible given that the parliament representation of women in Rwanda before 1994 ranged between 10 and 15 per cent, for instance.⁴⁶ Rwanda's gender transformation progress is important, because it does indeed speak to the fundamental issues of system and structure, even if this was the result of unfortunate circumstances. So it is not just the statistical representation in parliament and other institutions that Rwanda's progress can be attributed to, but the fundamental restructuring of its population structure as a result of genocide.

Similar to Rwanda is also the celebrated story of South Africa's progressive gender transformation accomplishment. The South African Constitution

of 1996 has been exemplary, as far as gender equality goes, because it established the Commission for Gender Equality. There is also a women's ministry in government to ensure that transformation does indeed take place. The commission and the ministry are aimed at promoting respect for gender equality and the protection, development and attainment of gender equality.

Indeed, South Africa is recognised by many as one of the most progressive, forward thinking countries when it comes to gender, if viewed through the lens of its new policies and laws. Yet, despite commendable accomplishments that have been registered in terms of equality laws and structures, lived experiences continue to ring alarm bells, given untransformed gender relations in numerous areas of life. Some advancement has been made, while other issues stagnate or even regress. For example, more women are in leadership positions in the South African government than in most other governments in the world (Worldwide Guide to Women in Leadership).⁴⁷ Yet, at the same time, South Africa has one of the highest rates of rape in the world (see, for example, United Nations Office on Drugs and Crime).⁴⁸ And there are numerous reports about appalling domestic violence against women and children. It is clear that there is a need to move beyond the symbolic to the substantive.

CONCLUSION

African futures remain a possibility subject to the reconfiguration of the system and structure of power that have remained patriarchal. The African Union has an important role to play. The modern world system and its global order have remained fundamentally patriarchal, and this means that any initiative aimed at creating African futures has to address the fundamental question of the substantive liberation of women. The first step, as argued by Thomas Sankara, is to understand how the patriarchal system functions, to grasp its real nature in all its subtlety, in order to work out a line of action that can lead to women's genuine emancipation. Decolonising gender therefore becomes a necessary task, so that answers to what should be done are formulated from the perspective of asking the correct questions.

The colonial/modern gender system, a concept that helps in understanding that the instrumentality of the colonial/modern gender system is subjecting both men and women of colour in all domains of existence, allows a case to be made that the gender transformation discourse is not just a women's emancipation discourse, but rather efforts of both men and women

to overcome the colonial global structure that is subjectifying all sexes in different ways. Guided by decolonial conceptions of the global matrix of power, it is important to define the African futures in the context of gender within the context of the various notions of the global matrix of power. This way, an analysis and conception of gender shall not be narrowed down to just an oppression of one by the other, but rather the conception of the intersection of gender, race and class and the conception of gender as a systematic and structural phenomenon inherited from the colonial forms of power.

Many countries, including Rwanda and South Africa, remain cases to be studied extensively and deeper than just looking at statistical representation when addressing issues of gender transformation. The importance of digging deeper than the numbers game, or statistical representation, cannot be overemphasised.

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Capitalist Crisis and Gender Inequality

Quest for inclusive development

Dikeledi A. Mokoena

INTRODUCTION

The current model of global governance is prone to crisis, as is witnessed in the numerous financial and economic crises throughout modern history. The ongoing global economic recession prompted economic actors to devise strategies for strengthening the financial market by administering financial stress tests that aim at minimising risks within the financial system. Although this is good for the financial system in terms of preparing for the ongoing global economic crisis, what preparations are being made to shield the majority of the poor population from the effects of the endless economic crises?

This evokes a feminist political economy critique which highlights the abstracted nature of male stream political economy that fails to factor in and address everyday experiences of crises among marginalised groups, especially women. The special emphasis on women is located within existing challenges of gender inequality between men and women. Crises indicate failure to make critical decisions to enable a new civilisational order to replace the failing system which produces gender disparities.

This chapter offers a humanities-centred critique of capitalism and gender inequality as a way of understanding the limitations of emancipatory projects for African women. Gender inequality must be understood through the modern/colonial system founded on a civilisational order that is constitutive of crises. The chapter is informed by Ani Marimba's analysis of European ideology in addressing the Aimé Césaire question of what fundamentally is a crisis, because without such, the macroeconomic interventions in a crisis outside of addressing the fundamental issue will continue to limit all efforts towards narrowing the gender gap.

The chapter begins with a feminist critique of economic interventions to a crisis, drawing from existing feminist literature. This is followed by a decolonial analysis of neoliberalism and the consequent influence on efforts for gender equality. Gender inequality is then historicised from an ancient civilisational critique of European modernity to also explain how modern economic theories and progress are rooted in that logic. The chapter

concludes with a stance that, within the current modern/colonial world, the efforts towards gender equality will remain a challenge.

FEMINIST CRITIQUE OF GENDERED INTERVENTIONS TO ECONOMIC CRISES

Feminist research has revealed that an economic crisis has gendered consequences, and these have implications for women and efforts towards gender equality.¹ For instance, the fiscal constraints on social infrastructure expenditure have long-term debilitating consequences for households and excluded/marginalised women's participation in the economy. This is often due to a decline in aggregate demand for commodities and labour. Governments have also been reported to cut budgets on social security expenditure during a crisis. The only positive for the labour force is that the 2008 financial crisis led to a temporary reduction in gender gaps in employment, unemployment, wages and poverty. This, however, does not reflect progress in the quest for gender equality, as it is based on lower rates of employment, higher rates of unemployment and reduced earnings for both men and women.

Monetary policies in Europe, which failed to implement fiscal stimulus packages, exacerbated and prolonged the economic turbulence. On the other hand, fiscal packages in the United States (US) did not address the employment crisis faced at the time.² Otobe³ and McCracken, Jessoula, Lyberaki, Barlett and Kusidel,⁴ among others, have shown the gendered implications of the economic crisis by highlighting that women have been the most affected by existing patterns of gender inequalities. Policy interventions, such as austerity measures, have greater consequences for women than men. Policy responses favoured those already in a position of strength and privilege.⁵ This is partly accounted for by the reality that women are largely found in low income jobs, and there is a global phenomenon of women being historically engineered to take on unpaid care labour.

Unfortunately, the macroeconomic policy responses have not benefited women as much as men, who largely benefited from policy reforms in Europe, such as social investments that were being channelled into pensions, with the exclusion of care and women-friendly policies. Moreover, McCracken et al.⁶ revealed that women's gendered positions within the labour market in Europe did not place women in the state of feeling entitled to the pensions or unemployment insurance offered by the welfare system.

The macroeconomic intervention to the crisis in Europe made women more vulnerable to budget cuts.

In the sub-Saharan Africa context, the majority of women are largely operating within the informal sector,⁷ and thus labour market-related policy interventions, which largely take effect in more formal settings, are exclusionary. It is assumed that many African women have not felt much benefit from macroeconomic responses to the spill-over effects of the US-UK crisis. 'Macroeconomic policy reforms aiming at balancing budgets and at stabilising the economy end up unbalancing human lives'.⁸

The policy responses to the economic crisis have been documented; however, people's personal responses to the crisis are scarce in the research work highlighted above. This also underlines the importance of empirical research looking into the daily experiences of crises by women. Pearson and Sweetman suggested there ought to be longitudinal research conducted as a means of providing insight into the empirical implications of the 2008 crisis for women, men and children, particularly in the global south.⁹ The intention is to gather data that will enable responses to the unfolding, evolving needs of those affected, especially the poor and the marginalised. Unfortunately, this chapter does not respond to this call. Instead it intends to offer an anthropological and decolonial critique to the spectacle of crises and the interventions in light of the coloniality of gender.

This is informed by the fact that, even in the context of economic booms, for instance the post-2008 recovery, albeit varied across regions, the problem of gender inequality was never resolved. Despite the post-2008 crisis economic growth in Organisation for Economic Co-operation and Development (OECD) countries, inequality remains high.¹⁰ Africa's post-2008 recovery, based on aggregate cumulative gross domestic product (GDP) growth, was also impressive, largely due to exporting raw minerals to China. Yet, according to the Africa Human Development report, 'African women hold 66 per cent of all the jobs in the non-agricultural informal sector and only make 70 cents for each dollar made by men'.¹¹

There are, of course, urgent calls for the inclusion of women and pursuits towards closing the gender gaps which have had some successes. For instance, investment in education and the emphasis on girl child education have had rewards in terms of increased enrolment. This can be attributed to feminist ideals being hijacked for neoliberal efforts aimed not at offering solutions to systematic problems, but adding and stirring women and girls into the current crisis-prone development arena. This does not disregard the positive strides made for women, but there are notable limitations.

COLONIALITY AND LIMITATIONS OF NEOLIBERAL MACROECONOMIC INTERVENTIONS FOR WOMEN

The issue is that the political economic interventions within the modern/colonial world cannot address the problem of gender inequality. Feminist goals cannot merely be about equality between the sexes when different forms of domination – for instance, imperialism, racism, classism, ageism, ableism and patriarchy – reinforce one another and shape everyday existences.¹² Inequalities ‘cannot be understood outside the nature of the world system that came into being since the advent of Euro-modernity about 450 years ago’.¹³ This world system is Euro-American-centric, capitalist, patriarchal, hetero-normative and hierarchical, Christian-centric and characterised by an interstate system. Capitalism is an ‘integrated network of economic, political and cultural processes, the sum of which holds the system together’.¹⁴

Gender, class and race, among other hierarchies, are entangled together ‘within global geopolitical, geocultural and geo-economic processes of the modern/colonial world system where the ceaseless accumulation of capital is affected by, integrated to, constitutive of, and constituted by those hierarchies’.¹⁵ The capitalist world system continues to hierarchically and dichotomously configure the world culturally, epistemologically, aesthetically and ontologically with the exclusion, oppression and exploitation of *Othered* populations, such as African people, thus reproducing the crisis of inequalities.

Neoliberalism has been at the epicentre of the critique of crises, and the irony is that it was meant to be a stabilising intervention in the crisis of Keynesian macroeconomics pursued after the 1930s recession to facilitate economic recovery. Keynesianism failed to address the economic stagnation and economic collapse of the 1970s; ‘when real interest rates went negative and paltry dividends and profits were the norm ... asset values (stocks, property, and savings) collapsed’.¹⁶

Neoliberalism is a political tool advancing the notion that well-being can best be achieved through individual entrepreneurial freedoms characterised by private property, free markets and free trade.¹⁷ Neoliberalism ‘values market exchange as an ethic in itself, capable of acting as a guide to all human action, and substituting for all previously held ethical beliefs ...’.¹⁸ This ethic structurally locates women at a disadvantage within a patriarchal society whereby property and asset ownership have historically been skewed in favour of men, through the facilitation of a fraternal contract at the level of the state.¹⁹ Patriarchy and the neoliberal ethic of contractual transactions also inform private relationships whereby certain commodities

are traded and exchanged with women's commodified bodies. The marginal position of women in society and struggles relating to material exclusion reproduce women's dependency on men for survival. Transactional sex, which is common among young women who exchange sex for gifts, is another tool characterising this neoliberal ethos of trade, whereby the body becomes a resource of trade for the disadvantaged.

Moreover, the global production network is highly gendered, the unpaid social reproductive labour is largely performed by women and women's minimally paid labour in the global commodity production chains.²⁰ 'Neoliberal policies have given rise to what critics call a "feminisation" of labour, accompanied by a deterioration of working conditions – casualisation, flexibilisation, violation of international labour standards and low wages'.²¹ Women have been at the bitter receiving end of this process among other marginalised groups. The consequences of neoliberal economics have been the rising level of inequalities, for instance the exponential growth of income inequalities since the 1970s. Stiglitz²² attributed this to the crisis of Western capitalism. Piketty²³ suggests political regulation of the market and provides a solution to current global challenges:

Big tax hikes on profits and progressive taxes on very high incomes, all manner of new controls over capital (strict financial regulation, rent controls, nationalisations, etc.) ... [are the] political responses that led to the historic reduction in inequality, not financial crisis in and of itself ... Left to itself, capitalism, because it is profoundly unstable and inegalitarian, leads naturally to catastrophes.²⁴

Piketty²⁵ is aware of the crisis of free market capitalism, just as Stiglitz²⁶ is; hence they suggest policy reforms within the broader neoliberal framework to be a panacea for the current global social crises, instead of completely overthrowing capitalism. The 2008 financial crisis yielded contestations among neoliberalists. There are three factions within the neoliberal school of thought.²⁷ One is the neoliberal conservatives, who call for market fundamentalism.²⁸ Another is made up of neoliberal regulationists, who advocate for neo-Keynesian regulation of the global economy in order to address the social cleavages caused by market fundamentalist-orientated capitalism. In the third faction, some proponents of the Washington Consensus have called for neoliberal structuralism as a result of the instability of the markets witnessed in 2008. The neoliberal structuralists, such as Joseph Stiglitz, suggested the formation of a new global superstructure that would aid in stabilising the volatile world financial system which has had

deliberating consequences for people. Noble as these may be, and effective to some extent (for instance taxation or nationalisation have yielded positive outcomes), these cannot however fully address the problem of women's relative marginal position globally.

Peet²⁹ put forward that '(i)nequality is inherent in the capitalist mode of production. Inequality is inevitably produced during the normal operation of capitalist economies and cannot be eradicated without fundamentally altering the mechanisms of capitalism'.³⁰ Moreover, Stiglitz's³¹ concept of the crisis of Western capitalism should not deter the audience from the awareness that all variations of neoliberalism are enunciated from the West, and are Eurocentric and inherently exclusionary, which is typical of capitalism. Stiglitz's³² critique can be analysed from the argument made by Harvey³³ that the 1970s crisis, which, because of the basis for the TINA ('there is no alternative') mantra, threatened the interests of the elites; thus neoliberalism is a project to rescue the minority of the world's population largely constituted by European-heterosexual-elitist patriarchs. 'Neoliberalisation was from the very beginning a project to achieve the restoration of class power.'³⁴ This class power remains exclusionary. For instance, the majority of women who are listed by Forbes³⁵ as the richest women in the world have either inherited their wealth from their fathers (for instance Alice Walton, Jacqueline Badger Mars and Gina Rinehart), or obtained it from their husbands, often deceased (for instance Christy Walton, Laurene Powell Jobs and Elaine Marshall). The majority of these women are from the global north.

Unfortunately, African fathers and husbands are, in their majority, the embodiments of subordination to the dominant hegemonic powers personified by heterosexual, Euro-American white men. Since the so-called free market is exposed to being socially and politically influenced,³⁶ we must at least acknowledge that it is in no way free from patriarchal influence. The free market is gendered; the invisible hand is the hand of 'the father' who sustains male privilege and the dominance of patriarchs with the exclusion of the rest of the world's population. The add and stir programmes of women empowerment are premised on the logic of incorporating women into competitive terrains characterised by fraternal synergies patriarchs, built throughout modern history and rooted in the ancient civilisations of Europe.

ANCIENT EUROPEAN THOUGHT AND MODERN CRISES

The foundation of the ancient civilisation of Europe, particularly its ideology, is evident in modern day economics. 'Ideology is an intensely

self-conscious extension of the process of mythological systems synthesising symbols that help to collectivise the consciousness of persons within a particular culture ... mythology creates *ikons* out of collective unconscious experience'.³⁷ Culture constitutes thought, behaviour and institutions; it functions as a unifying agent and 'orders experience so that its members perceive organisation, consistency and system'.³⁸ It provides a world view that orientates conceptions of reality. It functions as a prescriptive authority to its members, and it represents values.

It creates the basis for commitment, priority and choice, thereby imparting direction to group development and behaviour ... Culture is ideological since it possesses the force and power to direct activity, to mould personalities, and to pattern behaviour ... culture and ideology are extremely political in nature, since they are about the definition of group interest, the determination of group destiny and common goals ... cultural identification and ideological commitment are the bases for political consciousness.³⁹

Political behaviour involves behaviours that are inspired by a given set of identity markers which are distinct from other groups.⁴⁰ The assessment of group interests relative to others, and subsequently the determination of the interests of others' compatibility or contradiction, is a political act. Binary constructs are an inherent feature of European cultural thought and behaviour. Ani explained:

Once the 'person' was artificially split into conflicting faculties or tendencies; it made sense to think in terms of one faculty 'winning' or controlling the other(s) ... here begins a pattern that runs with frighteningly predictable consistency through European thought, continually gathering momentum for ages to come. The mind is trained from birth to think in terms of dichotomies ... First the dichotomy is presented, [and] then the process of valuation occurs ...⁴¹

This binary mode of thinking is captured by Plato's binary epistemology, in which reason is privileged. According to the Platonic view the highest endeavour is philosophy, and therefore the most valuable person is the philosopher ... one who "thinks" best. Other functions and human activity are devalued'.⁴² This binary mode of thinking is evident in remuneration structures at the microeconomic level. Consider a case of the remuneration saga within the South African mining sector. Marikana miners were killed while demanding a wage increment to R12 500 while the CEO of Lonmin, Ian Farmer, had earned R24 million in the same year. Despite the global

economic crisis, the salaries of chief executives in the mining sector quadrupled over a number of years.⁴³

Moreover, to indicate racial hierarchies inherent in these dichotomies influencing class structure, mine workers in Canada earned nearly six times more than mine workers in an African country, whereas executives between the two economies earn roughly the same amounts.⁴⁴ This highlights the racist colonial valuation system of remuneration within the global economic system. 'Racism is a global hierarchy of human superiority and inferiority, politically, culturally and economically produced and reproduced for centuries by the institutions of the ... modern/colonial world-system'.⁴⁵ The racialisation of beings functioned as a socio-economic tool that served the interests of the ruling class and the modern world, as evident above. This means that those incorporated into this modern/colonial world as racially inferior were/are subjected to injustices, oppression and/or exploitation. It means that race plays a role in profit maximisation, as corroborated by the example of Canadian miners versus South African mine workers.

The fact that management is compensated far greater than the physical toilers, who are involved in physically exerting extraction activity, can be explained using Plato's binary system of valuation. The managers, who are largely involved in decision making, assume the level of the philosopher at the firm level, while miners are involved in labour of the devalued body. This reflects the valuation process resulting from the dichotomisation of mind over body, thought versus physical labour, which also exposes coloniality of axiology. The Cartesian axiological category within coloniality/modernity renders the devalued perpetually bound within the zone of the oppressed as a result of the coloniality of the modern economy's valuation system, and this logic influences the position of women.

According to Platonic thinking, men were 'more rational, critical and intelligent, more capable of grasping higher truths. Only men could be philosophers'.⁴⁶ This dichotomous thinking renders women as emotional and ruled by nature, which warrants conquest. They are relegated to the category of feeling, which feeds into the valuation of women in European society and subsequently the valuation of activities performed by women rooted in gendered roles.

Wage gaps continue to reflect male privileging, and devaluation of care labour, performed by devalued beings, is also a result of this dichotomisation and patriarchal consciousness.⁴⁷ Central to the Eurocentric binary systems, 'maleness' is associated with superiority and 'femaleness' with inferiority. This perceived male superiority warranted the control of women. That the gender logic of this system equates women with nature/land is

obvious in the personification of geographic landmasses – such as Africa as mama-Africa. The conquest of nature is also signified by the conquest of women, including the hostile ecologicidal relationship masculinist bodies have with nature. For instance, capitalist extraction within the mining sector has environmental consequences whose importance tends to be peripheralised. This European binary system explains the basis of the modern/colonial gender order in which men are privileged over women.

Lugones⁴⁸ explained that Western political conquest was accompanied by the imposition of a modern/colonial gender order which privileged men over women. However, this does not mean all women's experiences were homogenous due to coloniality. The colonialism-imposed gender order was also racialised, meaning that the experience of oppression by white women was not the same as that of *Othered* women, such as African women, black women, Latina women and so forth.⁴⁹ Sexuality is also an intersectional hierarchy of oppression, which renders transgender and lesbian women among a number of women's experiences of intersecting oppression distinct from that of cis-gendered women.

THE GENDERED BINARIES ARE ALSO EVIDENT IN EUROPEAN ECONOMIC THEORIES

The dichotomous construction of gender permeates the logic of economic approaches, such as rational choice theory (RCT), including assumptions about the nature of man, consequently constructing the idea of what constitutes the second sex.⁵⁰ The core goals and assumptions about human behaviour embedded in the RCT approach entail clarity, rigor, precision, elegance and parsimony, and generalisability achieved through rationality, autonomy, self-interest and mental prowess. These are associated with the masculine, whereas the feminine is constructed as emotional, dependent and selfless, and ruled by the sexual perversion of the body. The goal associated with the feminine in RCT is intuition, vagueness, redundancy and particularism. 'To put it in terms of unconscious gender bias; much of the power of RCT over economics has come from one sided elevation of masculine associated ideals ... instead of a balanced respect for good ideals'.⁵¹ For instance, the autonomy and individualism propagated in neoliberal discourse are rooted in the masculinist assumption about the nature of human beings, as opposed to perceiving individuality and relations as part of human identity.

The idea of neoliberal individualism is rooted in European historical experiences. '(A)ll economic theories, without exception, are ideologies. As

such, they have a certain descriptive content based on social, economic and political realities on the ground, and also a normative content – on how society or economy should be organised.⁵² The structural design and fittings of economic theory are distilled from American and European experiences.

Tandon⁵³ stated that normative content that distinguishes one ideology from another is derived from a subjective assessment of one's values guided by one's circumstances. Hence all economic theories, including 'Keynesianism, masquerading as science', were essentially self-serving Eurocentric ideologies. When it came to colonising Africa, neither the 'nationalist' ideas of Hamilton and List nor the state-interventionist ideas of Keynes mattered. They did not apply to Africa. There was a racist dichotomy to their ideas – emancipator when it came to Europe, America, Canada, Australia, New Zealand and apartheid South Africa, and imperialist when it came to the rest of the world.⁵⁴ This means that the economic trajectory Africa ought to follow should be grounded on the cultural foundations and epistemological and ontological influence of African societies.

This entails employing a holistic approach to economic formulation and development. Feminist economic advice from Nelson,⁵⁵ since economic decision making is not purely made up of rational thinking – because emotions play a role too – is to move beyond dualisms. 'Taking emotions seriously could have important ramifications for the study of inequality ...'⁵⁶ Unfortunately, outside of grasping capitalism as a modern/colonial world system which is constituted by an intersection of systems of hierarchies yielding multiple forms of oppression and inequalities, this approach, made up of a marriage between reason and emotions, may also have limited capacity to transform the world, let alone prevent an economic crisis or shape the responses thereto.

As a result of the Platonic valuation system, the modern/colonial gender order and neoliberal class project influenced the responses to the previous capitalist crisis. Oligarchs were privileged over the devalued members of the earth's population. The modern/colonial valuation system shaped the responses to the previous 2008 financial crisis. 'The way the crisis is being addressed ... is a moment when pretences are dropped, and power is no longer masked and disguised, we can see it naked'.⁵⁷ European and American banks and financial institutions were rescued by governments, yet the poor did not receive much bailouts. '(B)y now we know the bail outs did not work to restore the economy'. In contrast to banks, which continued to thrive, households plunged into misery under the weight of unemployment and/or credit debt.⁵⁸ According to Charkiewicz,⁵⁹ the financial crisis exposed the often veiled patriarchal capitalist power dynamics when public

money was channelled into bailing out corporations at the expense of social investments.

In the African context things were slightly different, with investment in social welfare remaining steady. In fact, according to the International Monetary Fund (IMF),⁶⁰ social spending in Africa increased, especially in 2009, across oil exporting countries, low income economies and fragile states. The average spending on health and education was 5.5 per cent of the GDP in 2006/2007 and rose to seven per cent in 2008. Oil exporters spent the least, with three per cent of GDP going to health and education in 2006/2007, as compared to middle-income countries, which invested about eight per cent in the same period. Unfortunately, the middle-income countries experienced a knock, mainly due to their level of integration within the global economy. However, African governments generally used fiscal policy as a countercyclical tool, through investment in pro-poor and pro-growth areas.⁶¹

Africa's relatively better performance is not only tied to Chinese trade. Its relatively low integration into the global financial system had its benefits. 'Few banks and investment firms in Africa have held derivatives backed by sub-prime mortgages'.⁶² Africa's marginal position with regard to financial integration meant that African economies were relatively isolated from the direct impact of the financial crisis.⁶³ Africa's stock capitalisation represented only 2.09 per cent of world capitalisation, with banking assets amounting to 0.87 per cent of the globe's, and the financial globalisation stood at 181.3 per cent.⁶⁴ This, from an Afrocentric point of view which centralises the African subject in any inquiry, reveals that the 2008 financial crisis was 'not global'.

The language of the magnificence of the 2008 financial crisis is similar to that of the 1930s recession. It was rendered great, labelled as global, thus homogenising it despite the distinctions and diverse conditions of countries, classes, gender dynamics and age groups. Petras and Veltmeyer⁶⁵ critiqued the notion of 'global' because this conflates disparate economies and classes. The language of a global financial crisis exposes the universalising assumption of Western epistemic arrogance.

Not all countries experienced a financial crisis. For instance, during the 2008 Euro-US crisis, countries like Uganda, India and China did not suffer a recession. Asian tigers grew at 8 per cent; Brazilian, Argentine and Chilean markets paused, but resumed rapid growth of between three and seven per cent between 2010 and 2012. Even within the Eurozone, aggregate data revealed high unemployment rates at 10.4 per cent, but disaggregated data shows that countries like Holland, Austria and Germany suffered unemployment rates of only 4.9 per cent, 4.1 per cent and 5.5 per cent respectively,

while southern Europe suffered depression levels as high as 21 per cent for Greece and 22.9 per cent for Spain.⁶⁶

The exploitative relationship that is inherent in the capitalist system sustains hierarchies and inequalities within the global structure; hence the differential responses and recovery of nation states. Coloniality evident in the interstate system also has an influence on recovery. This principle is also evident at the micro-level, where the consequences of the crisis have also been shouldered by the proletariat. Major corporations have managed to recover their profits rapidly through various recourses, which include the retrenchment of workers. The endeavour for the maximisation of surplus value through exploitative relations ultimately has implications for variable capital which is used to pay workers.

The reduction in wages or labour, which causes an increase in labour reserves through increasing unemployment, reduces the costs of wage labour and maximises the precariousness of the absorbed and retained labour. This consequently creates social crisis in the context where prices increase incongruently with wages. This means that the crises of income inequalities, declining employment and social insecurity are the result of the interventions that are necessary to sustain capitalist production believed to have equalising effects. Social crises will always be a feature of the modern world, despite attempts to construct a global economic governance structure to regulate finance, because of capitalist accumulation and consumption exacerbated by the culture of opulence.

THE CRISIS OF CAPITALISM AND EUROPEAN IDEA OF PROGRESS

Wallerstein⁶⁷ critiqued ceaseless accumulation as illogical. The legitimisation of senseless accumulation characterised by unequal distribution and consumption, including maldistribution, expands the polarisation between social classes, thus breeding crises. Endless accumulation must be understood within the European logic of progress. 'The idea *of progress* is a fundamental aspect of the European philosophy of life, providing moral justification for the technical order and giving supposed direction to the strivings of individuals within the society'.⁶⁸

Bradley⁶⁹ critiqued that Europeans perceive Caucasoid progress as civilisation. 'History shows that we Caucasoid have by far the strongest penchant for [progress].' As a Caucasian man, Bradley stated that 'our racial proclivity for progress is so strong that we tend to confuse it with what other men called civilisation'.⁷⁰ This pursuit of progress is not reachable or

concrete. It has within itself the germs of unending expansion.⁷¹ This logic of progress informed the constant and unending expansion through ceaseless accumulation, colonisation, dispossession and imperialism. It is in the rhetoric of progress that Europeans expand and extend their possessions.⁷²

As Ani explains, 'the idea of progress, as it is euphemistically referred to by Europeans, provides an essential dynamic of the main thrust of European ideology'.⁷³ Ani describes the Western idea of progress as ideology that sophisticatedly packages the commitment to power, which is maintained through what she labels as unscrupulous imperialism and the exploitation of others. The idea of progress has contributed to the construction of a social order underpinned by an ideological substratum that is oppressive and creates imbalance.⁷⁴ 'Coloniality of power has worked to globalise a civilisation that exhausts the planet and exploits most of its people, thus unleashing a socioecological blowback that is turning this civilisation into its own worst enemy'.⁷⁵

In the Eurocentric pursuit of progress, racism became a tool for justifying economic slavery, dispossession and exploitation. European conceptualisation of progress is critiqued as not 'different from', but 'more than', signalling a never-ending process of progressing.⁷⁶ The recovery of plunging economies and/or economic growth is measured in terms of GDP, the calculation of which should be 'more than', and this 'more than' is conceptualised as positive. The obsession with GDP and growth is indicative of this expansionist logic of European ideology. The glorification of GDP, as a quantitative measure of development which is intrinsically interweaved with progress, should also be understood in the context of valuing rationality, objectivity and the quantitative geometry of Plato's philosophy and Cartesian science. The linear stages of development and the continuous suggestions of emulation of Western development by the developing countries are grounded on this logic of progress.

Through the coloniality of power hegemonic conceptions of progress, growth, development and modernity have been spread, procuring the loyalty of semi-peripheral and peripheral regimes into a civilisational obsession with endless accumulation based on the 'mastery of nature'. Most 'postcolonial' elites, especially across 'emerging economies', have not broken with this coloniality. They often reproduce govern-mentalities aimed at 'catching-up' with, cloning, emulating, imitating or conforming to hegemonic models enacted in the North's metropolitan cores.⁷⁷

Progress is measured in linear temporal terms – for instance, the ‘progress’ from agricultural economy to industrialisation. This consequently creates the devaluation of rural economies and urbanisation, while technological advancements become a benchmark of progress. According to Ani, this sequential lineal development is embedded within the European idea of progress.

Degrowth is a form of rupture from the ever-expansionistic ethos of the economy.⁷⁸ Decolonial scholars have proposed a pluriversal world that contradicts European universalism, which is local experiences packaged as universal. ‘Western experiences shape what we label as universalism. To challenge this domination, we have to accept a new intellectual order: pluriversalism’.⁷⁹ This intellectual order constitutes the ecology of universalisms of which one does not claim superiority over the others.

The challenge with this, in the global economic order, is that its institutions, structures and systems are hierarchical and oppositional, and there is an inherent feature of conquest, particularly facilitated by neoliberal capitalism. The crisis of capitalism is embedded in the idea of progress and, as Ani has noted, progress is a fundamental aspect of Europeanism and Europeans are expansionistic. Their movement in the world is not nomadic or displacement per se, but extension through conquest and consuming. There is no relinquishing power over the territories or terrains they conquer.

This logic is traceable in Aristotle’s thinking, which informs Eurocentric thought. The logic was captured by Dixon (cited by Ani) when he explained that it is constructed as an ‘either/or’ logic which has become so ingrained in Western thought that it is felt to be natural and self-evident. This form of logic perpetually locates the other in the oppositional or enemy camp. This relegation informs the dominant modes of expression in geopolitics, thus revealing the ‘almost fanatically political or confrontational consciousness in which all cultural phenomena that is “other” or different are considered hostile to group interest’.⁸⁰

The othering was also extended to divergent views even within the European context. For instance, European economic theories such as Keynesian macroeconomics were deemed hostile to the monopoly of wealth by transnational capitalist elites, resulting in the need to terminate or triumph over them. Pluriversality constitutes displacing the global north from the centre of the European universalised global economy to the local – meaning that the conquered spaces, be it economic, political, cultural, epistemic and so forth, would have to be relinquished. Premised on the analysis based on the anthropological research done by Ani on Europeans (the global north), achieving a pluriversal world will be a challenge, because Europeanism is contradictory, oppositional and excludes grey areas or the middle area.

With all of this in mind, if we were to ask what fundamentally a crisis is, the answer would be European civilisation embedded within modernity/coloniality. Helland and Lindgren⁸¹ deemed this as a planetary crisis, and outside of resolving this planetary crisis, pluriversality, let alone gender equality, will never be possible. But this civilisation is met with criticism, and its demise may possibly be the end of crisis, if crisis is understood in the Gramscian sense and the current planetary situation as a case of interregnum.⁸² Antonio Gramsci argued that ‘crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear’.⁸³ Interregnum was conceived as a situation in which the ‘legal frame of social order loses its grip and can hold no longer’.⁸⁴

The capitalist world system cannot hold any longer. The crises are the morbid symptoms which have debilitating effects on many people, especially women and other marginalised groups. Some of these groups have alternative methods of governing relations and resources outside the dominant Eurologic of economic institutions – for instance, practices of Ubuntu and collaboration among societies – and scholars such as Ostrom⁸⁵ have shown that there are other institutional cultures that exist, but they are overshadowed by the universalisation of the Euro-individualistic ethos. Thus pluriversality is possible, even though its achievement could possibly be costly and fatal unless the global leadership responds to the moral urgency of ecologically rebuilding the world anew.

CONCLUSION

Indeed, gender inequalities are embedded within a broader civilisational crisis. Decolonial critique helps us understand the importance of a bold and decisive call to dismantle this current order. There have been a number of interventions aimed at addressing plunging markets, stagnation, unemployment, poverty and inequality, yet none of them will be effective outside of addressing the crisis of coloniality. The efforts to address gender inequalities in this current order, although noble, will have limits because the current world system is inherently hierarchical and oppositional.

This chapter did not offer practical solutions either. It has largely been an invitation to think through solutions with civilisational and decolonial analysis in mind. Pluriversality would enable alternative systems of governance. In the interim, a regulated market and the state ought to ensure that

the poor and vulnerable are cushioned from the looming shocks, including the everyday crises of our lives.

It is important that gender equality, and overall equality for all women and men, be advanced within each local unaversive globally, even in Europe. One of the ways of working towards change for African women, the marginalised/excluded and the poor in general is to acknowledge that 'there can never be salvation for our people all over the world unless we decisively turn our backs on all the models that all the charlatans, cut from the same cloth, have tried to sell us ... There can be no salvation without saying no to that. No development without breaking with that,' as Sankara argues.⁸⁶ This leaves one to conclude that there will never be gender equality without breaking with coloniality and addressing the civilisational/planetary crisis.

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Agrarian Accumulation and Peasant Resistance in Africa

Walter Chambati, Freedom Mazwi and Steven Mberi

INTRODUCTION

The global economic crisis of 2007/2008 exacerbated the existing inequalities, poverty, hunger and injustices on the African populace, who had historically been marginalised.¹ The crisis manifested in various forms, including food price hikes and high food import bills, as well as an energy crisis across the United States of America (US), Western Europe and some Arabic countries, and gave rise to a demand for land and other natural resources. In sub-Saharan Africa (SSA), the global economic crisis was illuminated by the global search for land by Western governments and private capital, which directly affected the livelihoods of the peasantry, who rely on land for social reproduction.² The crises thus had an effect of altering the policy orientation of peripheral states towards extroverted production. It remains critical to highlight that the contemporary global capitalist crisis was characterised by the collapse of banking institutions in Europe and the US and the falling of profit rates as a result of over-accumulation of capital (see the Introduction in this book).

In an endeavour to prevent a potential domestic crisis over food, Western governments have looked for alternative ways to stabilise supplies by acquiring foreign lands for food production.³ Food security remains a challenge, prompting fears of global food scarcity as evidenced by a persistence of food emergencies (aid) in over 30 African countries.⁴ Other factors which have led to an increased demand for land and other natural resources include demographic growth and climate variability. It is apparent that Africa is faced with a national and agrarian question arising from the dominance of neoliberalism and the penetration of capital in peripheral states.⁵ The drive to secure farmlands in Africa by a wide range of actors is based on erroneous assumptions that vast tracts of land in SSA remain underutilised and are without ownership.⁶

Beyond land grabs, a process we define as the displacement of the peasantry from their land through force or finance,⁷ this chapter interrogates the wider impacts of the integration of the peasantry into the global capitalist value chains through contract farming and/or out-grower schemes

dominated by international agribusiness companies post the 2007/2008 global financial crisis. It also examines how these dynamics have shaped land access for the peasantry; and consequently, their effects in modifying the agrarian structures in SSA.

Deploying a political economy approach, the chapter assesses the impacts of the penetration of capital into the countryside on the socio-economic conditions of the peasantry, as well as peasant and civil society resistance aimed at stemming the tide of dispossession and impoverishment. The study approach entailed a review of literature and the analysis of existing information. Information relevant to capitalist crises and agrarian accumulation used included land purchased by foreign corporates and statistics on food imports and livelihood outcomes in Africa largely obtained from the Food and Agriculture Organisation (FAO), World Food Programme (WFP), the GRAIN and the Land Matrix.

The key argument advanced in the chapter is that land dispossession has resulted in increased landlessness among peasants in SSA and, therefore, their inability to meet their social reproduction needs, including food and other social requirements. Contract farming, which is the other side of the coin for land grabs, is now being used by big corporations as a strategy to counter the growing resistance to land grabs by appearing inclusive. While contract farming has a long history in Africa, dating back to the early years of independence, there is no doubt that it has received fresh impetus from the capitalist crisis. It is now considered to be an alternative to land grabs by international financial institutions (IFIs) and it is driving agricultural commercialisation.⁸ In most cases, peasants have largely failed to reap the 'benefits' associated with increasing integration into global value chains, either through land dispossession or contract farming. Rebuilding the autonomy of peasants in agrarian production and resisting dispossession of their means of production remain critical for the sustenance of the majority of people who inhabit the countryside in SSA.

Section two, following this introduction, discusses the debates on agrarian accumulation, using primitive accumulation as a conceptual framework. The third section reviews the scale and scope of land grabs in SSA resulting from the 2007/2008 global financial crisis, and shows how the radical redistributive land reform in Zimbabwe represents a form of resistance to the ongoing wave of peasant land dispossession. Section four examines how agrarian structures in many SSA countries are being reconfigured by the crisis of capitalism. The change of strategies by capital, from land grabs to agribusiness expansion and the promotion of contract farming and out-grower schemes in response to resistance to land grabs, is discussed next.

The socio-economic impact of land grabs on the peasantry is highlighted in section six, while the various forms of resistance to land grabs and capitalist accumulation follow in section seven, preceding the concluding remarks in section eight.

REVISITING THE DEBATES ON AGRARIAN ACCUMULATION: A CONCEPTUAL FRAMEWORK

The global economic crisis which started in the US due to the financialisation of global markets by monopoly capital resulted in the collapse of the banking sector. It was also characterised by spikes in food and energy prices, as well as high rates of unemployment and economic stagnation for countries in the global north.⁹ Concurrently, pressure on limited critical resources, such as fossil fuels, land and water, pushed Western governments and capital to search for natural resources for their food and energy requirements. Africa thus found itself as a primary target of this form of primitive accumulation undertaken under the globalisation project.¹⁰

As rural livelihoods deteriorated in Africa, partly as a result of a stalled agrarian transition, the World Bank advocated for foreign investment in African agriculture as a strategy to reduce poverty.¹¹ Foreign investments were seen as filling the technology gap in peasant agriculture and providing a win-win arrangement for foreign investors, host governments and the peasants.¹² A counter to this perspective is located in the primitive accumulation framework which views the intensification of land grabs and expansion of agribusiness operations as a third wave of imperial domination, after colonialism and structural adjustment programmes (SAPs) – processes which all alienated African land.¹³

Primitive accumulation involves the destruction of existing property relations through the separation of the peasantry from their means of production, thereby creating a propertied class on one side and a landless class of labourers on the other.¹⁴ Such outcomes are predicted by Amin¹⁵ who warns of a spectre of peasant displacements and the destruction of peasant agriculture driven by monopoly capitalism. For Lenin¹⁶ and Luxemburg,¹⁷ primitive accumulation remains a critical dimension of global capitalism and, in its absence, expanded reproduction cannot take place.

Two dominant interpretations of the operations of capital, represented by Harvey¹⁸ on the one hand and by Moyo et al.¹⁹ on the other, have shaped debates on capital accumulation in Africa. The latter argue that primitive accumulation should be seen in the context of a centre-periphery

contradiction, which exists on a world scale, facilitating the transfer of surplus value from the periphery to the centre. The centre-periphery dichotomy thus defines global capitalism. For the former, the world is not structured and primitive accumulation is not premised on the centre-periphery contradiction but occurs on a 'spatio temporary fix', where capital moves in search for profits during times of capitalist crisis.

While the first wave of primitive accumulation utilised extra-economic force,²⁰ the second and third waves have largely been driven by speculative tendencies of monopoly finance involving the acquisition of commodities and real estates.²¹ As shall be shown in this chapter, the process involves the displacement of peasants from their means of production in countries such as Ethiopia, Tanzania, Liberia, Sudan, Mozambique, Gabon and the Democratic Republic of Congo (DRC), where small producers are under massive attack.²² Despite the ongoing dispossession, peasants are still the majority of producers, both in terms of numbers and land ownership.²³

Peasants' output therefore continues to contribute significantly to the world economy and also subsidising capital through providing labour, which is poorly remunerated.²⁴ Large-scale land grabbing and/or investments are advanced on the premise that this will reverse the underdeveloped nature of the agriculture sector by providing the requisite missing technology, which African governments and private financial institutions are constrained to provide.²⁵ The benefits of such 'investments' are often cited as more employment on and off farms, the introduction of new agricultural technologies and practices, and increased food security.²⁶

No matter how convincing the above claims may be, it is argued that there is no place for the small farmer in the vast majority of these land grab situations.²⁷ Evidence shows that the 'new scramble for land, water, minerals and bio-resources in Africa' is hastening the annihilation of peoples' means of support, through dispossession of the peasantry and of whole communities. According to Jacobs,²⁸ 'it is one more episode in a long historical process of capitalist "accumulation by dispossession" that dates back to the early phase of colonial expansion'.

The creation of employment for subsistence farmers and rural land-dwellers is promised to the local population affected by such investments. Nonetheless, the extension of employment to local farmers to work on industrial, plantation farms effectively compels subsistence farmers off their land to give way for large-scale farms producing food for other countries, and transforms land and labour into capital.²⁹ Apart from peasants losing land through land grabbing, these lands are transformed from smallholdings or communal lands into large industrial estates linked to far-off markets.³⁰

In the face of growing resistance to land grabs, Western governments and multilateral institutions have changed their operational tactics and are now using agribusiness firms as conduits for agrarian accumulation. Terms such as 'responsible investments' and 'inclusive business model' are now buzzwords where the peasantry retains legal title on land while losing the production and management process of crops.³¹ Programmes have been initiated by Western countries to advance primitive accumulation, such as the G8 New Alliance for Food Security and Nutrition Initiative, the US' Millennium Challenge Corporation (MCC) and the ACP-EU partnership agreements.

Patnaik³² postulates that, under the new primitive accumulation of capital, contract farming arrangements have been operationalised by corporations to deepen the extraction of surplus value. The food security and land rights of the peasantry are thus under severe threat.³³ Corporates prefer the contract/out-grower models, as they are more politically secure from land expropriation when compared to large-scale land investments, and have less production costs, as the peasantry meet their own social reproduction costs through working normal working hours.³⁴ Contract farming and out-grower production has thus become an alternative form of agrarian accumulation to land grabs.³⁵

This latest wave of primitive accumulation is facilitated through the introduction of land tenure policies that favour freehold tenure ahead of state-based tenure policies.³⁶ It remains critical, however, to point out that the food and energy crises and associated land grabs did not begin during the 2007/2008 period but gained traction in the early 2000s due to food price hikes and, in the process, triggered an influx of foreign investments on the continent. The new 'investments', which now involve diverse players, are propelled by hedge funds, pension funds, sovereign wealth funds and large banks.³⁷ This has led to the escalation of land dispossessions, which are different from the initial phase of primitive accumulation, as there is a participation of diverse actors who now include Western governments, corporates from China, India, Malaysia, South Africa and some Arabic countries.³⁸

Capitalist accumulation does not, however, go unchallenged; it triggers different forms of resistance from the agrarian underclass.³⁹ In response to oppression and exploitation by capital, resistance often takes different forms, which range from passive resistance – for example, suicides – to active resistance – which include open defiance to capture by monopoly finance and the state.⁴⁰ Resistance to capital subjugation in Africa was first expressed through various struggles for independence in settler and non-settler colonies.⁴¹

CAPITALIST CRISIS AND LAND GRABBING

Recent land grabs in Africa have created an extroverted accumulation model based on primitive accumulation, where the peasantry is separated from the means of production.⁴² Large corporates are purchasing and leasing land from poor farmers and, as reflected in various country cases, this has resulted in an increase in the number of poor farmers in countries such as Tanzania, Niger, the DRC, Mozambique, Liberia, Ethiopia and Ghana.⁴³ The penetration of capital has led to changes of agrarian structures in most African countries towards a tri-modal framework combining the peasantry, small to middle capitalist farms and large-scale commercial farming (LSCF), agro-industrial estates and plantations.⁴⁴ Indeed, Africa's land questions are differentiated, emanating from different historical specificities such as varying models of colonial subjugation, post-independence development paths, as well as the democratisation processes.⁴⁵ The colonial encounters established a bimodal agrarian structure consisting of the peasantry and LSCF and plantation estates in the labour reserve economies of Southern Africa, while in non-settler SSA the peasantry largely dominated (although there tended to be plantations mainly geared for extroverted production).⁴⁶

The structural adjustments of the 1990s, and the global financial and food crises which started in the early 2000s and heightened during 2007/2008, have had profound effects on Africa's agrarian structures, tilting it towards a tri-modal framework. Speeding up the process are land tenure reforms which opened up Africa's land to foreign investors, such that by 2004 about 20 African countries had reformed their national land policies.⁴⁷ First experiments with land grabs started around 1996 in countries such as Mozambique, Zambia and Congo and in non-settler zones in Africa, thus laying a solid legal and political foothold for the current accumulation trajectories. Driven by increased food and energy demands, there has been an upsurge in the purchase of land on the African continent by transnational corporates from the West, the East and the South. Land grabs have been achieved through collaborations with African states and local domestic capital, and are supported by the World Bank and civil society organisations under the Land Deal Initiative, which see them as an investment potential likely to generate foreign exchange, transfer technologies and, therefore, address poverty issues on the continent.⁴⁸

The recent land grabs are fuelled by the desire to increase production of bio-fuels, a need to lessen the demand of fuel from East Asia.⁴⁹ Resultantly, land has either been leased or sold to multinational corporates supported by Western and Gulf states.

Table 6.1 Scale of land grabs

Country	Size		Deals	
	Ha	%	No.	%
Sudan	3 123 430	18.5%	17	4.2%
Ethiopia	2 412 562	14.3%	56	13.7%
Madagascar	2 176 241	12.9%	36	8.8%
Mozambique	2 017 912	11.9%	96	23.5%
Tanzania	1 115 179	6.6%	41	10.0%
Sierra Leone	1 085 742	6.4%	21	5.1%
Benin	1 040 900	6.2%	9	2.2%
Liberia	662 000	3.9%	5	1.2%
Kenya	480 000	2.8%	8	2.0%
Mali	471 891	2.8%	25	6.1%
Congo	338 000	2.0%	3	0.7%
Cameroon	300 340	1.8%	14	3.4%
Zambia	273 413	1.6%	8	2.0%
Ghana	259 900	1.5%	7	1.7%
DRC	243 870	1.4%	6	1.5%
Zimbabwe	201 171	1.2%	2	0.5%
Angola	183 000	1.1%	4	1.0%
Nigeria	142 532	0.8%	18	4.4%
Ivory Coast	100 200	0.6%	2	0.5%
Uganda	91 012	0.5%	6	1.5%
Senegal	34 800	0.2%	7	1.7%
Malawi	30 147	0.2%	4	1.0%
Niger	29 969	0.2%	3	0.7%
South Africa	27 124	0.2%	3	0.7%
Somalia	21 500	0.1%	2	0.5%
South Sudan	20 450	0.1%	1	0.2%
Swaziland	15 124	0.1%	2	0.5%
Rwanda	3 100	0.0%	1	0.2%

Burkina Faso	1 000	0.0%	1	0.2%
Total	16 902 509	100%	408	100%

Source: Adapted from Moyo et al. (forthcoming)

While, owing to a lack of coherent methodology, there is no agreement on the actual scale of agricultural land seized by multinational corporates and foreign governments, there is a consensus that land grabs emanating from the capitalist crisis have been pervasive.⁵⁰ It is estimated that over 70 per cent of land has been purchased in Africa, with states facilitating this acquisition of land through the enforcement of a neoliberal property rights regime which fuels land concentration in the hands of domestic and foreign capital.⁵¹ Coming up with a single estimate of the amount of land acquired through land deals since the period of the financial crisis has proven to be a difficult task, as most of the deals entered into are shrouded in secrecy.⁵² In 2012, Oxfam declared that over 30 per cent of the land in Liberia was handed out in large-scale concessions from 2009 until 2013, often with catastrophic results for local communities.

According to the World Bank, by 2011, 60 million hectares of African farmland had been purchased from the time the global financial crisis began.⁵³ The Land Matrix database estimates that close to 200 million hectares had been bought by 2012, driven by capital speculative tendencies, while Oxfam International statistics show that 227 million hectares were acquired since 2001.⁵⁴ Conservative estimates, however, show that a total of 16 902 509 hectares were purchased or leased out in Africa, with the phenomenon increasing in scale at the onset of the 2007/2008 financial crisis.⁵⁵ The numbers of land deals recorded in Africa were 408 in 2012, while the 2016 dataset showed that, since the 2007/2008 global financial crisis, the number of large-scale land deals entered into had reached 491.⁵⁶ Although land grabs are increasing, the pace appears to have slowed down when compared to the immediate years following the 2007/2008 crisis.

A number of deals entered into soon after the crisis have since collapsed due to a number of factors, ranging from resistance by local communities to the unprofitability of some ventures and lack of capital to kick-start the projects.⁵⁷ Some of the projects that have spectacularly collapsed include the Madagascar 1.3 million hectares land purchase, the Libyan 100 000 hectare rice project initiated by Muammar Gaddafi, and Herakle's Cameroon deal, which saw the amount of awarded land being reduced to 19 843 from 73 000, as a result of protests.⁵⁸ Out of the 16 902 509 hectares subjected to foreign deals on the continent, South Sudan has been the most affected,

accounting for 18.5 per cent of all deals, followed by Ethiopia (14.2 per cent), Madagascar (12.9 per cent), Mozambique (11.9 per cent) and Tanzania (6.6 per cent).

The New Alliance for Food Security and Nutrition, launched by the G8 countries with the aim of uplifting 50 million people out of poverty in 10 African countries through public private partnerships, is one vehicle which has been used to advance land purchases and leases.⁵⁹ In Tanzania, the government crafted a New Alliance Corporation Framework for the expansion of large-scale investments.⁶⁰ This project, also known as 'Kilimo Kwanza' (Agriculture First), seeks to establish plantation estates ranging from 20 000 ha to 50 000 ha, whose production will also be supported by out-grower farmers.⁶¹ The ultimate focus of the programme is to convert one third of Tanzanian land for commercial agriculture – a move that threatens to separate the peasantry from its means of production.⁶² Involved in the projects are Malaysians as experts, donor agencies and South African-based Illovo.⁶³

In Ethiopia, the ouster of the Derg regime in 1991 dismantled state-based ownership of land and laid a basis for the most extensive primitive accumulation of natural resources through the introduction of private property rights and land titling.⁶⁴ As shall be discussed in the next section, it is the G8 New Alliance programme that has played a pivotal role in Ethiopia's opening up of land to investors.⁶⁵ While conflicting figures exist on the exact amount of land in the hands of foreign corporates and individuals, there is consensus that the investments are dominated by Indian and Saudi Arabian capital.⁶⁶ Statistics from the World Bank⁶⁷ reveal that 1,2 million hectares are under foreign control, while the Oakland Institute reports that such land is close to 3,6 million hectares.

Shete and Rutten⁶⁸ estimate that land exceeding 2,1 million hectares was transferred to agricultural investors between 1992 and 2013. The statistics also reflect an intensification of land resource allocation to external land seekers from the period 2007 to 2009, with a total of 69 per cent of the land having been transferred during the period of the capitalist crisis.⁶⁹ Evidence from the Ministry of Agriculture and Rural Development (MARD), however, shows that the majority of this land remains idle, with less than 20 per cent of the approved projects having got off the ground.⁷⁰ Much of the land continues to be held for speculative purposes, or the investors have no capital to kick-start the projects.⁷¹

Data from the Land Matrix shows that much of the hectareage acquired under land deals has been devoted to bio-fuels production (35.4 per cent) followed by oilseed (25.1 per cent), food grains (16.7 per cent) and food tubers (12.4 per cent). The bias towards non-food crops, as reflected by the

statistics, has an impact on food sovereignty as well as the nutrition of the locals and is favourable for the energy consuming countries. A closer look at the nature of deals also shows that land purchases were more aimed at bio-fuel production (26.6 per cent) and oilseed (24.5 per cent).

Table 6.2 Land deals by crop category in Africa

Food no.	Category	Area involved		Number of deals	
		Ha	%	No.	%
1	Food grain	1 640 725	16.7%	58	17.3
2	Food vegetable	10 500	0.1%	7	2.1
3	Food tubers	1 224 094	12.4%	82	24.5
4	Flowers	21 000	0.2%	3	0.9
5	Oilseed	2 468 794	25.1%	62	18.5
6	Forest	853 597	8.7%	20	6
7	Fruits	137 731	1.4%	9	2.7
8	Medicinal	400	0.0%	2	0.6
9	Food beverage	4 024	0.0%	3	0.9
10	Bio-fuel	3 488 388	35.4%	89	26.6
Grand Total		9 849 253	100%	335	100

Source: Compiled by authors from Land Matrix database; Moyo et al. 2013

ROWING AGAINST THE TIDE: RADICAL LAND REDISTRIBUTION IN ZIMBABWE SINCE 2000

As the incidence of primitive accumulation of land and natural resources was gathering pace in most African countries, Zimbabwe presented a unique case of radicalisation and rowed against the neoliberal architecture through the fast-track land reform programme (FTLRP), as Moyo and Yeros,⁷² and Moyo and Nyoni⁷³ argue. While most media and scholarly works focused on the methodology of the land allocation process, dismissing it as ‘chaotic’, ‘politically driven’ and neo-patrimonial,^{74,75} a body of knowledge has demonstrated the redistributive outcomes of the land reform.⁷⁶

The FTLRP challenged the wisdom that land transfers could only be undertaken through land markets, when about 4 500 LSCFs were compulsorily

acquired and redistributed to over 140 000 peasants under the A1 model, and to 20 000 small- to middle-scale capitalist farmers in the A2 settlement model through land occupations.⁷⁷ Despite its radicalisation, the FTLRP falls short of being a complete socialist revolutionary process, as it did not entirely oust capital.⁷⁸ Although the average land sizes per household were whittled down, the programme retained sugar, tea and coffee plantations alongside conservancies and a few LSCFs.⁷⁹

The major challenge facing Zimbabwe's land reform is how to finance the broad range of farmers to ensure food security and agrarian transformation.⁸⁰ The financial constraints, the liquidity crunch in the banking sector and the state's limited fiscal space present in Zimbabwe are leading to the development of informal joint ventures synonymous to land grabs in areas with high agro-ecological potential, although the scale is yet to be established owing to the reluctance of farmers to reveal such arrangements. Interviews conducted with key informants in several districts have, however, revealed that such forms of land transaction are being spearheaded by former white commercial farmers working in collaboration with foreign capital of Western and Asian origin.⁸¹ Some tobacco companies are entering into agreements with farmers to lease land for five years, with the farmer standing to benefit irrigation equipment after that period and a five per cent share of profits.⁸²

EMERGENCE OF DIVERSE AGRARIAN STRUCTURES IN AFRICA

Three factors are identified as leading towards the establishment of a tri-modal agrarian structure on the continent, departing from the bi-modal framework.⁸³ In non-settler countries, the process is triggered by the penetration of foreign capital and involves the purchase of land.⁸⁴ Large-scale land grabs in non-settler states are establishing a LSCF system that concentrates land in the hands of monopoly capital, a phenomenon that was absent prior to the global financial crisis. It is not difficult to decipher that the recent wave of capital encroachment has achieved what colonial forces failed to achieve in the nineteenth century: to displace the peasantry without resorting to the use of the barrel of a gun, as happened during the first colonial encounters. It is claimed that the land being occupied is underutilised or un-owned, although evidence emerging from countries such as Tanzania, Mozambique and Madagascar point to massive displacements of the peasantry, thus impacting negatively on their livelihoods,⁸⁵ as shall be discussed in the next section.

A second factor which is leading to the establishment of a tri-modal agrarian structure is the perceived superiority of middle-scale farming when compared to the peasant sector. This has led to countries such as Malawi, Zambia and Senegal facilitating a process of 'accumulation from above', where states are allocating land to a rising number of 'middle-scale farmers' who include, but are not limited to, chiefs and some other domestic elites.⁸⁶ This has given rise to a merchant path of agrarian accumulation, where domestic but non-rural forms of capital (petty bourgeois, bureaucrats and professionals) gain foothold on rural pieces of land.⁸⁷ This has seen the number of small to middle capitalist farmers in settler and non-settler countries increasing, thereby establishing a tri-modal agrarian framework.

The penetration of capital historically led to land transfers from one individual or household to another on a massive scale, leading to social contractions in society based on class, race, gender and ethnicity.⁸⁸ Post-independence, African countries such as Kenya and Uganda saw the emergence of accumulating farmers, who mainly hired labour, and middle farmers, who neither hired nor sold labour power, operating alongside poor peasantries, who met their social reproductive needs through the sale of their own labour.⁸⁹ The social differentiation process was accelerated by land policies that tended to promote land transfers, but was stunted in countries such as Tanzania, where state-based land tenure relations prevailed.⁹⁰

The East African region has also witnessed a growth in the scale of foreign investments and numbers of middle-scale farmers as a result of the global financial crisis, thus leading to the development of a tri-modal agrarian framework that favours a capitalist agrarian accumulation model whose production is not oriented to satisfy the home market. Previously, the agrarian economies in Tanzania and Uganda were dominated by the peasantry, whose accumulation was from below, while in Kenya the LSCFs operated alongside the peasantry, as Mamdani argues.⁹¹ Despite the land grabs, the peasantry remains the dominant mode of organisation of production in SSA.

AGRARIAN ACCUMULATION BY AGRIBUSINESS: AN EXPANDED REPRODUCTION PHASE

The growing opposition to land grabs, mainly from civil society organisations and peasant movements across SSA, has given rise to the commercialisation of peasant agriculture through the promotion of contract and out-grower schemes mainly promoted by agribusiness firms.⁹² The initiatives are supported by the G8 New Alliance programme and the US MCC, as well as by

the Alliance for a Green Revolution in Africa (AGRA), a brainchild of the Bill and Melinda Gates Foundation and the Rockefeller Foundation.⁹³ The Gulf states have also penetrated African markets through firms such as Hassan Food and Jenaan Investments, owned by the Qatar and United Arab Emirates (UAE) governments respectively, setting in motion a competition with Western agribusiness giants.

Oil palm and sugar production land-based investments feature prominently in the latest wave of agribusiness encroachments, in the guise of 'inclusive business models'.⁹⁴ Asian private corporates such as Olam, Sime Darby and Wilmar are involved, alongside Western corporates and South African-based firms. The encroachments are facilitated by the MCC, a US government structure that provides aid to African governments to implement land titling based on the erroneous belief that it makes the land bankable – where experience has shown otherwise.⁹⁵

Countries that have embraced the MCC include Niger, Ghana, Liberia, Malawi, Morocco, Cape Verde, Mozambique, Burkina Faso, Tanzania, Madagascar and Lesotho. Countries which fail to implement these reforms and are perceived as having 'democratic deficits' are suspended from the programme. The ever-increasing presence of foreign agribusiness firms in countries which have implemented the MCC programme should be understood within the logic of capital, which prefers liberalised economic environments. Countries such as Liberia, Madagascar and Niger have witnessed social and political strife as a result of agri-business encroachments.⁹⁶

In Liberia, for example, Golden Veroleum Liberia (GVL), a palm oil agribusiness firm, currently controls 220 000 hectares, and the government intends to place a total of 520 000 hectares (5 per cent of Liberia's land) into the ownership of private agribusiness for palm oil production.⁹⁷ Gabon and Mozambique have also experienced an influx of agribusiness firms involved in sugar, rice, tobacco and soybeans as a result of land policies developed with the assistance of the World Bank and the MCC.⁹⁸

The 2007/2008 global financial crisis accentuated capital penetration in Africa as over 100 corporate bodies were invited to participate in agricultural investments under the New Alliance for Food Security and Nutrition.⁹⁹ The corporate expansion implemented through AGRA advances a 'green revolution' production model that imposes external seeds and fertilisers on the peasantry, a condition that leads to their incorporation into the global capitalist system under adverse terms.¹⁰⁰ This situation is explained in a research document by the African Centre for Biodiversity:¹⁰¹

AGRA is undoubtedly laying groundwork for the commercialisation of African agriculture and its selective integration into global circuits of accumulation. The shadow of Monsanto, DuPont, Syngenta and other seed and agricultural multinationals and equity funds lies just behind the scenes of AGRA's show. AGRA and other capitalist interests have identified a profitable ('bankable') investment opportunity in smallholder agriculture in Africa, linked to green revolution technologies.

The New Alliance has been endorsed in African countries such as Mozambique, Tanzania, Côte d'Ivoire, Ghana, Ethiopia, Burkina Faso, Nigeria, Benin, Senegal and Malawi, leading to the entrance of corporate giants such as AGCO, Cargill, Export Trading Group, SwissRe, Unilever and Yara in these territories.¹⁰²

Table 6.3 Top ten companies with pledges under the G8 New Alliance

Corporation	H/Q	Total	B/Faso	C/ d'Ivoire	Ethiopia	Ghana	Malawi	Mozambique	Nigeria	Tanzania	Senegal
1. AGCO	US	6	x		x	x		x	x	x	
2. Cargill	US	5		x				x	x		
3. Export Trading	Singapore	4		x			x		x		x
4. United Phosphorous Ltd	India	5	x		x	x		x		x	
5. Yara International	Norway	4	x		x	x				x	
6. Unilever	Netherlands	3				x			x	x	
7. Syngenta	Switzerland	3			x				x	x	
8. SwissRe	Switzerland	3			x	x				x	
9. SABMiller	United Kingdom	3				x		x		x	
10. Rabobank	Netherlands	2		x		x					

Source: Adapted from G8 New Alliance (2013a-d)

In Malawi, Monsanto supplies 67 per cent of all inputs to the AGRA-funded Agro-dealer Strengthening Programme (MASP). The incorporation of the peasantry under adverse conditions is further accelerated by the framework agreement between the MCC and AGRA, entered in 2008, where the two bodies exercise great influence to shape agricultural policy and the coordination of agrarian markets.¹⁰³ The control of input markets by AGRA leads to the perpetual exploitation of the peasantry through the extraction of surplus value and creates a dependency syndrome where they rely on such companies for the supply of inputs.

Another outcome of the financial crisis has been the re-emergence of contract/out-grower models of production in various African states, which has received massive support from the Bretton Woods Institutions, the G8 countries and philanthropic organisations, that is, the Bill and Melinda Gates Foundation and the Rockefeller Foundation, as Moyo¹⁰⁴ argues. Contract/out-grower models have mainly targeted export crops such as sugar, coffee and tobacco, and the unequal power relations embedded within the models have been exposed. The current contracts are no better from the ones implemented from the 1980s and are prone to exploitative labour relations, as peasants often work beyond their normal working hours and are made to meet their own social reproductive costs, thereby subsidising capital.¹⁰⁵ The exploitative labour relations in family farms often take on a gendered dimension, as it is mostly women and children who perform the unpaid wage work, which greatly compromises their social well-being.¹⁰⁶

SOCIO-ECONOMIC IMPACTS OF LAND GRABS

This section discusses the socio-economic impacts of land grabs and agribusiness expansion in several African countries. It adds to the burgeoning literature which has examined the consequences of land-based investments on the peasantry.¹⁰⁷ A number of outcomes are noted, which include increased landlessness, tenure insecurity, food insecurity and poverty, social differentiation and lack of access to natural resources.

Table 6.4 Arable hectares per person

Country	1961	2014
Angola	0.50	0.20

Cameroon	0.91	0.27
Ethiopia	0.49	0.16
Kenya	0.42	0.13
Liberia	0.33	0.11
Madagascar	0.37	0.15
Mozambique	0.32	0.21
Namibia	1.04	0.33
Niger	3.29	0.89
Nigeria	0.51	0.19
Senegal	0.90	0.22
Tanzania	0.50	0.26
Zambia	0.81	0.24

Source: World Bank database

World Bank statistics show a decline in the average arable land area per person in many countries in SSA between 1961 and 2014. The most affected countries have been Cameroon (which witnessed a decline from 0.91 ha per person to 0.20 ha), Ethiopia (whose landholdings per person fell from 0.49 ha to 0.16 ha), Nigeria and Zambia. These declines are an outcome of land grabs and the process of accumulation from above, which is creating middle-scale farmers at the expense of the poor. Such land alienations have inevitably led to an increase in numbers of undernourished people in SSA, as shown in Table 6.5.

Table 6.5 Number of undernourished (millions) 1990–1992 and 2014–2016

Sub-region	No of undernourished (millions)		Change so far %
	1990-1992	2014-2016	
Eastern Africa	103.9	124.2	19.6
Middle Africa	24.2	58.9	143.7
Southern Africa	3.1	3.2	2.3
Western Africa	44.6	31.5	-29.4
SS Africa	175.7	217.8	23.9

Source: FAO

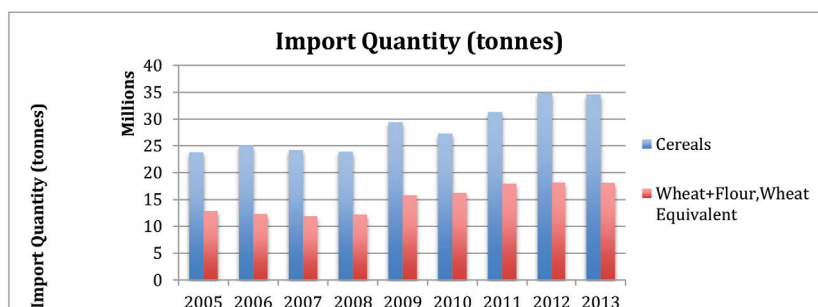
The data show that the number of people in SSA who are undernourished has increased by 23.9 per cent from the 1990s. Apart from landlessness, this can also be attributed to SAPs which were implemented across Africa. The sub-region most affected by undernourishment is Middle Africa, which saw an increase of 143.7 per cent of such people, followed by East Africa (19.6 per cent) and Southern Africa (2.3 per cent). Western Africa has, however, seen a decline in people who are undernourished.

INCREASED FOOD INSECURITY AND POVERTY

The placement of agricultural land under export crops and the commercialisation of peasant production through contract farming and out-grower models have resulted in greater food insecurity in various African countries, as Patnaik¹⁰⁸ argues. Food insecurity and the immiserisation of the small producers has been a key outcome of the commercialisation of agriculture, as peasants deviate from the production of food crops for domestic consumption towards export crops production, thereby undermining food sovereignty¹⁰⁹ (also see Figure 6.1).

Food dependency in SSA has been ever increasing following the 2007/2008 crises, with cereal imports recording a huge increase in 2009 and in the following years. Figure 6.1 reflects an exponential increase in the importation of cereals since the 2007/2008 global financial crisis, thus underscoring food dependency. The importation of wheat and flour is also shown to have increased, having been triggered by the 2007/2008 food crisis, although it tended to be limited when compared to cereals.

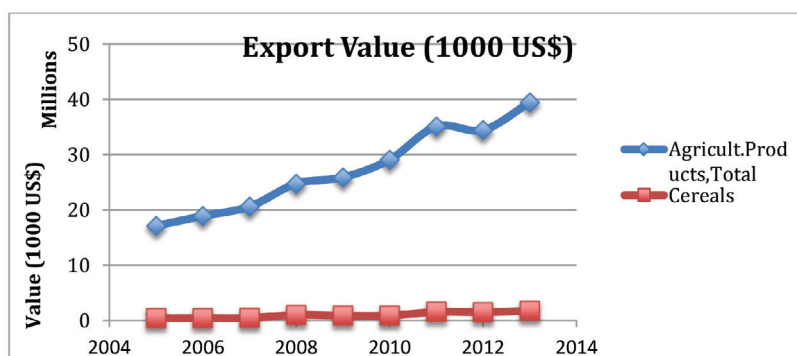
Fig 6.1 Import quantity of cereals (SSA)



Source: FAO 2016

The ever-increasing focus on the importation of cereals was also a policy recommendation from the Bretton Woods institutions, premised on David Ricardo's misleading theory on comparative advantage, where countries in the global south were encouraged to rely on food imports to cater for their domestic consumption, while producing export cash crops for the generation of foreign exchange.¹¹⁰ As the number of food imports increased from around 2008, the import value also grew dramatically, thus further straining the African states which, according to the World Bank, were supposed to be the major beneficiaries of foreign investments in the agriculture sector. The 2007/2008 capitalist crisis did not present opportunities for African states and their people, who embraced the penetration of capital through agribusiness and large-scale land investments. The reliance on imports has imposed a burden on the already vulnerable African governments struggling to provide social services to their population.¹¹¹

Fig 6.2 Export value on agricultural products (SSA)



Source: FAO 2016

While imported cereal quantities have been on the rise, statistics from FAO on the value of exports also confirm the food dependency of SSA. Cereal exports value remained stagnant, never exceeding US\$1 738 105 since 2005. The value of cash crops is, however, reflected as having increased from US\$17 113 638 in 2005 to US\$39 425 214 in 2013. As predicted by Amin,¹¹² the globalisation of the agricultural sector will likely lead to mass pauperisation and immiserisation of 80 per cent of the global population, with a small proportion of the population standing to benefit from the globalisation process.

Indeed, this is occurring in Nigeria, for example, where 31 000 hectares of land were acquired in Odogwu, Kogi State, by US-based International Trans Oil Corporation (ITOC) for the construction of an ultra-modern sugar factory worth US\$510 million. The expectation was to produce 87 million litres of ethanol for agro-fuel on an annual basis, at the expense of cereal production.¹¹³ The agreement did not provide an alternative to peasant households displaced, resulting in a serious food crisis for the Kogi peasants.¹¹⁴

In Ghana over 20 companies from different countries have acquired land for the production of non-food crops for export, thus compromising food security. The negative impacts of land grabs have also been felt in Liberia, where 520 000 ha has been set aside for the top four palm oil companies, to the detriment of the local peasants. This has resulted in over 39 000 peasants losing their major source of livelihood, thus exposing them to food insecurity.

SOCIAL DIFFERENTIATION AND INCREASING INEQUALITIES IN THE COUNTRYSIDE

The conditions of the peasantry will likely worsen in the coming decades given the ongoing wave of agribusiness encroachment, which continues unabated in most African territories. The most affected social groups are pastoralists in East Africa, whose grazing lands are now under the control of foreign and domestic corporates – a situation which greatly diminishes the capital formation potential of the pastoralists and, at worst, destroys their livelihoods.¹¹⁵ Evidence from a number of countries, such as Ghana, Tanzania, Mozambique and Ethiopia, shows the granting of land titles as giving rise to land markets – a development which triggers social stratification, as the domestic agrarian capitalists accumulate more land while the proportion of poor farmers who become landless increases.¹¹⁶

Social differentiation is also fuelled by contract farming and out-grower schemes, which have spread following the 2007/2008 crises. This occurs in countries where land tenure is not mediated by the state.¹¹⁷ Recent evidence in Zimbabwe reflects that the economic strangulation by IFIs and some Western powers places peasants and small to middle capitalist farmers in vulnerable positions, where they are forced to lease out their pieces of agricultural land to agribusiness firms, who then engage in direct production. The practice has been going on for some time, and is likely to increase in the coming years following the legalisation of joint ventures by the Government of Zimbabwe in 2015. Further evidence highlights exploitative relations, where peasant farmers are reduced to employees and are given a monthly

salary and an overall five per cent share of profits. Such arrangements create a blockade to accumulation from below by the peasant households and only serve to further agrarian accumulation by agribusiness and the capitalist farmers.

RESISTANCE TO LAND GRABS AND CAPITALIST INTEGRATION

The intensity of the land grabs, and their negative socio-economic impacts on the livelihoods of the peasantry, have stirred resistance from local social groupings, resulting in changes of tactics in the operation of monopoly finance, where agribusiness has been increasingly getting involved in out-grower and contract farming production.¹¹⁸ Evidence from many parts of the continent illustrates that land grabs tend to fuel social and political conflicts, which pit local communities on one hand against foreign corporates and governments on the other.¹¹⁹

Cases of resistance to land grabs are widespread in SSA, with Moyo¹²⁰ arguing that it is not necessarily opposition to Foreign Direct Investment (FDI) *per se*, but rather to the scale, speed and lack of transparency in the land deals. Some conflicts have escalated into political unrest, as was the case in Madagascar, where citizens overthrew a democratically elected government in 2009 following public anger over a 1.3 million hectare Daewoo project. There is currently an ongoing political conflict in Ethiopia's Oromo – where the peasant population, alongside the working class, is revolting against the ruling Tigrayan Peoples' Liberation Front (TPLF) – which should be noted as an agrarian struggle. This is so because the Oromo people are challenging the leasing out of their land to Chinese and American agribusiness firms.¹²¹ The rebellion has its roots in the historical and systemic marginalisation of the people of Oromo from their fertile lands.

In Liberia, protests were fuelled by the worsening livelihood conditions of farmers displaced to pave the way for the Golden Veroleum Liberia palm oil plantation, as reported in 2015 in Al Jazeera.¹²² The violent displacement of Tanzanian pastoralists in the Usangu/Ihefu area in 2006 and Lilondo in 2009 not only culminated in the loss of livelihoods for pastoralists, but also led to violent clashes between the pastoralists and farmers over land user rights, resulting in loss of human and livestock lives.¹²³

A positive development emerging from land grabs and agribusiness expansion is the coalescing of progressive social forces to challenge social and economic injustice. This has already been witnessed in countries such as Mozambique in the ProSavana land deal, Mali with the Malibya and

Large Cereals Distributors of Mali case, and Liberia in challenging the palm oil investments. In Tanzania, a process of grassroots mobilisation against land grabs is underway which has forced the government and agribusiness firms to sit at the negotiation table with pastoralists and farmers in an attempt to structure 'investments' which are acceptable to pastoralists, fisher people, hunters and gatherers, and peasants.¹²⁴ Social movements in Tanzania, joined by religious leaders, have succeeded in turning away some of the investors.

Mozambique also offers an interesting case where social movements are coalescing to defend the land rights of the peasantry against agribusiness expansion. One of the biggest planned land grabs in Africa, known as the ProSavana, was targeted for Mozambique, which intended to cover 14 million hectares of land in soybeans.¹²⁵ The land deal aimed at soybean production involves Brazilian and Japanese capital working with the Mozambique government. The programme has stalled due to stiff resistance from Mozambique social movements, who have come together to defend the land rights of the peasantry. Resistance over land grabs has been widespread to the extent that the resettlement of 1 000 Chinese workers in Mozambique also faced stiff resistance from local farmers who saw their livelihoods threatened.

As is the case in Mozambique and Tanzania, peasant movements in Mali are grouping to challenge land grabs in their country. This includes opposition to the 20 000 hectare land grab by Large Cereals Distributors of Mali (GDCM) and also to the 200 000 hectares Malibya rice project.¹²⁶ Peasant farmers and NGOs in Mali have built alliances under the COPAGEN banner to challenge displacements. Social movements are benefitting from meetings at the World Social Forum, whose purpose is to develop the capacities of social movements to resist corporate land grabs.

CONCLUSION

One of the effects of the 2007/2008 global food, energy and financial crises has been a reinforcement of neoliberal land policies across the continent. African governments have been complicit in fuelling land alienations emanating from their desire to lure foreign investment. Notable outcomes of the agribusiness expansion have been exploitation of the peasantry through contract farming, increase in poverty levels and social contradictions. The proposition, by international finance organisations, that foreign investment in the agricultural sector brings development opportunities is shown

as misleading and lacking empirical evidence to back it, given the rise of socio-economic and political difficulties associated with land grabs and agribusiness encroachment in SSA.

A way forward for African states is to recommit to the 2003 Malabo Declaration, where it was agreed to allocate 10 per cent of total government expenditure to the agricultural sector for autonomous agrarian development. Alternatives to land grabs being suggested and mediated by international financiers, such as 'inclusive business models' and 'responsible investments' through international guidelines, are shown as having been disastrous, as they tend to accelerate social differentiation and the incorporation of the peasantry into global markets under adverse conditions, which often leads to the pauperisation of the peasantry.

If there is a positive development emanating from the current spectre of primitive accumulation of land and other natural resources, it is the coalescing of social forces in demand of proper consultation and equity from all land and agricultural so-called investments and agribusiness expansion. Social movements, such as *La Via Campesina*, the National Peasants Movement (UNAC) in Mozambique and others in Liberia and Mali, are regrouping and leading the charge against neoliberalism. As with Zimbabwe's War Veterans movement, which confronted land concentration, social movements in various parts of the continent have the potential to reverse the gains made by monopoly capitalism after the 2007/2008 global crises.

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PART II

The Great Recession and 'Development' Implications for Africa

Possibilities, constraints, and contradictions of
oil-driven industrialisation in Ghana¹

Jasper Abembia Ayelazuno

INTRODUCTION

During the first decade of the twenty-first century, two closely related major world peaks defined and shaped the articulation of Africa's economy with the capitalist global economy.² They are the food and oil peaks, both of which, together with other intersecting world crises, constituted a 'global organic crisis',³ of which the recent global economic recession is only one dimension. The food peak spawned the recent rush for land, and the oil peak the rush for the ocean (as well as land), in Africa. Philip McMichael's insightful analysis of the dynamics and implications of these peaks is instructive to our understanding of the oil rush in Africa, even though he focuses specifically on the land rush. He argues that:

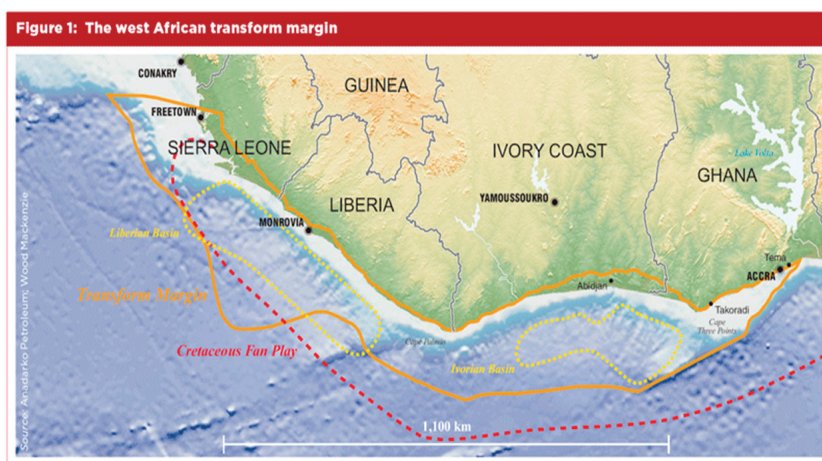
The terms of reference of the contemporary 'land rush' are similar, namely, that global food security and ecological security (via 'green' biofuels) depend on 'global' access to land for offshore food, fuels and general biomass production. 'Northern security' includes the North in the South now, and is associated with the global crisis of neoliberal capitalism, as peak oil, peak soil and food riots stalk the landscape, invoking green solutions.⁴

McMichael's observation on the strategies devised by the powerful forces of the global capitalist economy to deal with the oil peak – namely, the land rush for the production of biofuel – is accurate. He is, however, certainly not oblivious to the fact that the land rush for food and biofuel production goes hand in hand with the ocean and land rush for the production of fossil fuel. The point is, despite efforts to find alternative sources of energy, the wheels of the global economy are still greased mainly by oil produced under the sea and land – fossil oil – because the alternative sources of energy are still in their exploratory phases.

Although they developed over several decades, the two peaks came together in the twenty-first century to constitute a perfect storm of

contradictions in the global capitalist economy, setting off a frantic chase for energy in Africa, both for hydrocarbons and biomass. In the specific case of hydrocarbons, the West Africa Transform Margin (see Figure 7.1) is ‘the site for the new oil accumulation on the African continent’.⁵ Characteristically imperialist in logic, machinations and mechanisms, the exploration and production of oil and gas in Africa are part of the strategies of global capital to reinvent itself out of this recession. As will be illustrated in the following pages, this strategy inherently and inevitably involves the dispossession of the subaltern classes, fishers and peasants, who live off the ocean and land, felicitously conceptualised as ‘global primitive accumulation’.⁶

Figure 7.1 West Africa Transform Margin



Source: Petroleum Economist (<http://www.petroleum-economist.com/Article/2731413/West-Africas-new-oil-province.html>)

The oil rush has acted as a magnet for researchers in academia, the media, and development and civil society organisations, who are mostly concerned about understanding its dynamics and, more importantly, its development prospects for oil-rich countries who are receiving billions of dollars in foreign direct investment (FDI), even in the wake of the recession. Most of this work and the industry of literature it has produced, intellectual and grey, view the issues through the prism of the influential ‘resource curse’ paradigm; and are mostly concerned with theorising and prescribing policies to arrest this curse in order for oil to promote economic growth and the well-being of people. By contrast, Marxian international political economic analyses are not as sanguine about oil-driven development, and are constantly at pains to

point out why this rush is another scramble for African resources, another imperialist exploitation, and a violent dispossession of the subaltern classes who live off the ocean and land. Similar to other historical resource grabs in Africa, this scramble holds no prospects of improving the well-being of the subalterns. This chapter is sympathetic to the latter perspective, but tries to push it in new directions with the developmental state analytical insights in general, and the 'petro-developmental state'⁷ in particular.

Scholars of agrarian political economy have linked primitive accumulation to agrarian transformation, which is a necessary condition for the configuration of the social property relations propitious of capitalist development in general, and industrialisation in particular. The leap from agrarian transformation to capitalist development necessarily requires the *visible* hand of the state to make industrialisation happen. This is one of the major lessons one learns from the history of most existing industrialised countries, both resources-rich and resource-poor, particularly England, the country that blazed the trail of industrial revolution in the world. The liberal English state was not only capable of inflicting the violence of primitive accumulation, at home and abroad, in its efforts to launch the industrial revolution, but was capable and adept at drawing and maintaining the linkages between social transformation in the countryside and industrialisation and other processes of capitalist development across the country. In Asia, the state played a leading role in the industrialisation of countries such as Japan, South Korea, Taiwan, China, Malaysia and India. Similarly, it was the developmental petro-states of Norway, Canada and Scotland that created and sustained the beneficial linkages between their offshore oil and gas industries and their broader economies.

In the case of Ghana, I argue that a highly capable Ghanaian neoliberal state can reap the benefits of the oil and gas industries by implementing policies that would maximise the forward, mid and backward linkages between energy and other sectors of the economy. At issue here is not whether the Ghanaian state can do this – that would be the wrong question to ask. The right question is whether it is willing to do this, considering that its class interests are aligned with the accumulation imperatives of the international oil companies.

The Ghanaian state seems impaled on both horns of a dilemma: it must either implement tough policies to establish the above-mentioned linkages between the oil and gas industries and various sectors of the broader economy in order to cater for the general good of the Ghanaian economy; or it must protect the interests of the oil companies by enabling them to accumulate super-profits through inflicting the violence of primitive accumulation

on the coastline communities affected by their operation, both offshore and onshore. The record of the Ghanaian neoliberal state in the mining sector shows that it is adept in using the violence of primitive accumulation to facilitate the accumulation imperatives of transnational mining companies, rather than channelling these to the promotion of the broader transformation of the economy. Little wonder, therefore, that the behaviour of the Ghanaian state seems to suggest that it is poised to resolve the dilemma in the oil sector in favour of the profits of the transnational oil companies. This foregrounds the disconnection between the industrialisation vision that most African countries articulate on paper (development blueprints and plans) and the strategic steps and modalities they need to take and craft to realise this vision.

Based on meta-theoretical analysis and information gleaned from scholarly and grey literature, the argument will be fleshed out in the following order. The next section situates the oil rush in the longer historical context of Africa's articulation with the capitalist global economy to illustrate a continuity of the imperialist exploitation of the continent, and the social dislocation it causes. Of note, too, is the continuity of the violence of global primitive accumulation that anchored other historical resource rushes in Africa. The nature of the current oil rush in Africa will be elaborated in the third section, zeroing in on the Ghana case. The third section briefly discusses the impact of the recent and ongoing precipitous plunge of world oil prices – one of the constituent elements of the global economic recession – on oil-rich African countries. The penultimate section critically reflects on the Ghanaian state's policies on the oil and gas industry, arguing that it has failed to formulate the tough policies that would simultaneously rein in the profits of the transnational oil companies and forge the forward, mid and backward linkages between the oil and gas industries to bring about the structural transformation of the Ghanaian economy. The chapter concludes by highlighting the key insights it offers into the prevailing thinking of the development community that romanticises the development potentials of extractive industries, the 'new extractivism'.⁸

THE 'LONGUE DURÉE' OF IMPERIALISM AND GLOBAL PRIMITIVE ACCUMULATION IN SUB-SAHARAN AFRICA

The French historian, Fernand Braudel, urged social scientists to take seriously 'the exceptional value of the long-time span' – the '*longue durée*' – and the historical structures that 'get in the way of history, hinder its flow, and

in hindering it shape it'.⁹ To gain valuable and fascinating insights into the puzzle of why Africa is well-endowed with natural resources, but plagued with grinding poverty – the 'paradox of plenty' – we need to pin down the underlying and historical dynamics of capitalist development in the core capitalist countries, and the role Africa's natural resources and raw materials played in this development. Without this historical element, the story of the present (and related) oil rush and global economic recession, and their development implications for Africa, will be half-told and incomplete. We need history to gain deeper insights into the complex and contradictory dynamics of the global capitalist economy and their effects on Africa and Africans, especially the subaltern classes.

Historically, the exploitation and violence of global primitive accumulation in Africa preceded the specific primitive accumulation that gave birth to classical capitalism in England: the one that created 'specifically capitalist social relations' through the expropriation of the land of the peasants, their means of livelihood, leaving them with nothing but the sale of their labour for survival.¹⁰ Before this specific form of capitalism, there were other forms of capitalism and capitalists. There were, for example, merchant capitalism and merchant capitalists, whose underlying logic of accumulation was that of 'buying cheap and selling dear'.¹¹ A *longue durée* approach to the exploitative terms on which the economy of Africa is articulated with the capitalist global economy begins somewhere in the fifteenth century, when European merchants went to Africa to 'sell dear' manufactured goods and bought cheap raw material, including human beings, from Africa.¹²

This contact with Africa was palpably exploitative – correctly conceptualised as 'mercantile imperialism'¹³ – and marked the emergence of a global capitalist economy that spawned the exploitation of Africa from then to the present. Similarly, it also marked the beginning of an economic phenomenon that would continue to the twenty-first century. An overwhelming proportion of Africa's resources would not be used for its own 'development', but for the development of Western European countries.¹⁴ Driven by 'the lust for trade and money',¹⁵ Portuguese merchants were the first to make contact with Africa. They were later joined by the Dutch, English and French in selling so-called prestigious European goods like cotton textiles, sugar, tobacco, firearms, wines and brandies to a conspiratorial political and economic elite class in Africa: kings and local merchants. In return, this conspiratorial class sold commodities like gold and slaves to the foreign merchants.

A case in point is that of the exploitation of Ghana's gold. This exploitation has a long history, dating back to between the fourteenth and fifteenth

centuries when Portuguese, Dutch and English merchants bought gold cheaply from local miners in the Akan areas of the Gold Coast (the name of Ghana before independence). This continued to become the gold rush and colonialism of the late nineteenth century, and then to the present-day exploitation of its minerals, and recently oil, under neoliberalism.¹⁶ Typical of the accumulation imperative of merchant capitalism at that time – to make huge profits by selling dear and buying cheap from Ghana – the trade between the Gold Coast and the European merchants was exploitative. Gold was obtained from the local miners virtually for nothing, considering the value of what was given in exchange. One English writer (C. Speed) captured the key aspects of this exploitation in 1665 when he wrote that ‘the Golden Coast of Guinney ... (is) where a man may gain an estate by a hand full of beads and his pocket full of gold for an Old Hat; where Gold is sold for Iron, and Silver given for Brass and Pewter’.¹⁷

This was followed by global primitive accumulation engendered by classical capitalism and the capitalist mode of production. Though the industrial revolution and the birth of capitalism were the result of socio-economic transformations within the core capitalist countries, their violent and exploitative mechanisms echoed powerfully outside Europe. Classical imperialism or colonialism represents this situation in Africa. In simple terms, imperialism means the military, political and economic domination by a militarily and economically powerful country over a weaker one. With their superior military powers, core capitalist countries like Britain, France, Germany, Italy, Belgium and Portugal were amongst the imperial states that colonised Africa in the nineteenth century. Having met in Berlin, Germany, between 1884 and 1885 ‘to divvy up Africa into preferential trade zones’¹⁸ – and, it should be added, into commodities-production zones – these core capitalist countries, most of which were undergoing the industrial revolution that had begun in Britain, formally colonised Africa. Each country that was party to the Berlin Conference, as it was popularly known, took its piece of the pie as agreed in this meeting. Thanks to this gentlemanly agreement, a tiny and weak state like Belgium (under King Léopold II) could colonise the Congo, now known as the Democratic Republic of the Congo (DRC) – a vast expanse of territory.¹⁹

As documented vividly by scholars of imperialism, the main motivation for this late, formal colonisation of Africa, as well as the informal colonisation that preceded it, was economic: monopoly over cheap raw materials, over cheap labour and over markets to sell manufactured goods.²⁰ The political and religious motivations – empire and evangelism – were secondary. The renowned historian, Bill Freund, put it bluntly: ‘(t)he imperial conquest

of Africa was undertaken to tap African resources in order to help resolve the economic problems of Europe'.²¹ Examples of some of the raw materials exploited from Africa and elsewhere include: gold and diamonds from South Africa and Ghana, rubber from Congo (now the DRC), copper from Zambia, oil from the Middle East, and commodities for consumption like tea, coffee, cocoa and sugar. Mostly, the means of exploiting these resources (like mining and farming) demanded human labour, which the colonised people were forced to provide with extreme brutality. The brutality of King Léopold II of Belgium is a typical example, as well as being the worst case in Africa.²²

Marxian theories of classical imperialism have argued that, on the one hand, the wealth exploited from the colonies was crucial for capitalist development in the core capitalist countries, and on the other, it 'halt(ed) the development of non-European economies'.²³ This is an oversimplification and exaggeration of the issues. It is, however, indisputable that industrialisation in the core capitalist countries in the nineteenth century needed raw materials to feed the industries, and markets to sell the manufactured goods produced by them. Both needs were addressed by conquering colonies in Africa, Asia and the Americas. Colonialism and colonies also played a key role in resolving capital's inherent contradictions and crises. By its logic of accumulation – its ravenous quest to make huge profits – the capitalist system is characterised by inherent crisis, circles of boom and bursts, upswings and downswings. When faced with crises or downswings, one of the ways that capitalism revolutionises itself is to channel the crisis away to its backwaters. For this purpose, the colonies came in handy in the nineteenth century.

Imperialism was not marginal to capital's logic of accumulation. For some Marxists, imperialism is not simply mere exploitation of some regions by capitalism, but represents the underlying mode of accumulation of a specific form of capitalism: monopoly capitalism driven by finance capital. Imperialism is the 'economic quintessence' of 'monopoly capitalism', and the struggle for monopoly over raw materials in the colonies was a consequence of the dynamics of this form of capitalism.²⁴ Imperialist exploitation of Africa will continue as long as the capitalist world order endures, because, as one authoritative source presciently observes, '(i)mperialism is not a matter of choice for a capitalist society, it is a way of life of such a society'.²⁵

With the ravages of imperialism so palpable and indelible, organs of the capitalist global economy, in Kwame Nkrumah's parlance, do not deny that it harmed Africa's development. They would rather, and dubiously so, try to rationalise it into oblivion or out of existence. So *The Economist* could title an article on the scramble for Africa's resources in its millennium issue like

this: 'The Europeans were slow to seize black Africa, ruthless in doing so, harsh when they had done it – but by no means doers only of harm'.²⁶ We should not be detained by such romantic and patronising discourses, seeking to sanitise and trivialise imperialist exploitation of Africa and Africans. Whilst *The Economist* and other liberal scholars and commentators could continue citing evidence of the benignity of imperialism on one hand, and the destruction of Africa by Africans and their leaders on the other,²⁷ it is the main scholarly and political obligation of critical Africanist and African scholars to jettison such accounts. They can do this by bringing into sharper focus the specificity of the articulation of African economy with the capitalist global economy, making visible the deleterious and debilitating effects of this on the economies of African states, particularly the historical and flagrant sabotage of their industrialisation efforts, as well as the implacable harm wrought on the life-chances of the subaltern classes and their ecology. This must be on two interlinked fronts: production and exchange relations between Africa and the core capitalist countries.

So far, the preceding analysis highlights both exchange and production relations, but to shed more light on the former, the 'Prebisch-Singer thesis' must be evoked.²⁸ Organically linked to the division of labour of the world economy – both the old and new divisions – is the unequal exchange relationship between most African countries and the core capitalist countries. As Prebisch and Singer correctly argue, 'barring major changes in the structure of the world economy, the gains from trade will continue to be distributed unequally (and, some would add, unfairly) between nations exporting mainly primary products and those exporting mainly manufactures'.²⁹ Free trade ideologues mock this argument, arrogantly describing its advocates in patronising terms as 'know-nothings'.³⁰ Globalisation is then presented as being good for poor countries, because free trade in a globalised world will be the rising tides that lift all boats, leading to a race by all to the top rather than to the bottom. It is precisely because of the power of such discourses to hide the exploitation of Africa in the global economy, as well as to intimidate critical voices, that critical scholars should be spurred to keep striving to tell the other, and truer, side of the story.

In this spirit, this historical survey must continue beyond the era of blatant imperialism. Whilst classical imperialism ended between the mid and late twentieth century, it immediately re-emerged in a different guise, felicitously described as 'neocolonialism' and 'new imperialism'.³¹ Dressed in this garb, global capital, supported by the core capitalist countries, such as the United States of America (US), deploys subtle modes of domination to exploit Africa's natural resources and keep it as an exporter of mainly

raw materials. With the twenty-first century hailed as that of a so-called 'rising Africa', most countries in the continent are still mired in the upstream global supply chain and engaged in the production and supply of raw goods to the world market. This means most African countries are 'trading down',³² trading at the lower end of the global value chain (GVC) and earning low revenues from their exports. Though deeply integrated into the global capitalist economy, most African countries lack the technology to industrialise, add value to their exports, and take advantage of economies of scale and scope.

With the industrialisation of some countries in East and Southeast Asia and Latin America, there are claims of a new international division of labour. This claim is not unfounded because, since the early 1970s, the pattern of trade has changed: North America, Western Europe and Japan, which used to dominate the exports of manufactured goods, no longer do so. Asian countries other than Japan have increased their exports of manufactured goods, both of 'basic manufactures (sic) like clothing' and 'more technologically sophisticated products'.³³ Most African countries are still, however, excluded and marginalised in the new global economy and its new division of labour. They are still under the old division of labour, with the exception, perhaps, of South Africa. Indeed, the new division of labour has not changed the monopoly of the core capitalist countries over financial markets, technology, and access to natural resources, media and communication, and weapons of mass destruction – a monopoly that has given them undue advantage over Africa in international trade.³⁴

The new international division of labour has, therefore, not changed the unequal and exploitative power structures of the global economy. On the contrary: it has resulted in a 'new hierarchy, more unequal than ever before, the distribution of income on a world scale, subordinating the industries of the peripheries and reducing them to the role of subcontracting'.³⁵ This situation is exemplified in the exports pattern of Africa. Despite efforts by most African countries to diversify their exports into manufactured goods, this has largely been unsuccessful, as illustrated by its tiny and declining share of the world manufacture exports. In contrast, (its) levels of export concentration in fuels and other mining products remain exceptionally high.³⁶

This situation has not changed much, despite the recent upsurge in FDI in the continent. As one reliable source noted, rather gloomily, 'Africa's particular combination of geographical, historical and structural features have traditionally attracted FDI in to enclaves of export-oriented primary production using a good deal of imported technology and with limited linkages to the rest of the economy'.³⁷ The technology gap between Africa and the

Western world alluded to by the United Nations Conference on Trade and Development (UNCTAD) is not a natural outcome of circumstances beyond the control of the powerful forces of the global economy. In fact, it was created by them. The technology gap is directly connected to the unequal power relations that characterise the capitalist global economy, and certainly connected to the long history of imperialist exploitation sketched above.

The monopoly over technology by the core capitalist countries is indispensable to keeping Africa exactly where they want it to be in the international division of labour: a market for their manufactured goods and 'commodity frontiers' for their factories.³⁸ There is no rational reason for them to change it. So, even though history illustrates that the core capitalist countries borrowed and shared technology, and even 'stole' technology from each other,³⁹ the same countries are deliberately making it difficult for the transfer of appropriate technology to Africa.

While developed countries claim they want to help Africa to develop – and from their own development experience, are acutely aware that technology and industrialisation are fundamental to Africa's development – they advocate and implement policies which strengthen their monopoly over technology. For example, they support stringent patent and intellectual property laws and international agencies, such as the World Trade Organisation (WTO), who police and enforce these laws.⁴⁰ The trade-related aspect of intellectual property rights (TRIPS) is one such law that obliges countries to obey and enforce patent and intellectual property laws. As Robert Wade has clearly illustrated, this law and its cousins – trade-related investment measures (TRIMs) and the General Agreement on Trade in Services (GATS) – shrink the 'development space' for diversification and upgrading policies in developing countries under the veil of 'the rhetorical commitment to universal liberalisation and privatisation' by the core capitalist countries.⁴¹

In addition to the formal international trade rules formulated and enforced by the WTO and other global governance institutions, the space for Africa to develop from its insertion into the capitalist global economy is further constricted by the proliferation (in the core capitalist countries) of quality standards that govern the upstream part of the supply chain in which most African countries are engaged. These governing standards raise the quality bar so high that they further exclude and marginalise most African countries in international trade, as they do not have the technology to meet these standards.⁴²

The oil rush in Africa must be understood against this long history of imperialist exploitation and global primitive accumulation, the structural challenges they impose on the structural transformation of the continent's

'colonial trade economy',⁴³ as well as the agential opportunities for this transformation in light of the continuous quest for Africa's natural resources in the twenty-first century global political-economic context. Two fundamental characteristics of this context are crucial as both possibilities and constraints to the transformation of African colonial-trade and -production economies into industrialised and productive ones: firstly, footloose transnational corporations and finance capitalists with money 'burning holes in their ... pockets'⁴⁴ and seeking avenues of investment for more profits; and secondly, a global production chain or world factory in which elements of the production process can take place in diverse and multiple sites.⁴⁵ This should foreground the analysis of the oil rush to pose critical questions, which probe continuities of and departures from this dismal history, as well as the factors influencing the interplay between the possibilities and constraints of another Industrial Revolution in Africa. These issues are addressed in the next two sections.

THE CONTINUOUS SCRAMBLE FOR AFRICAN RESOURCES IN THE 21ST CENTURY

Since the end of World War II, oil has become the engine of the capitalist global economy and the linchpin of the security strategies of the core capitalist countries, especially the US.⁴⁶ Without oil, the capitalist global economy, which is dominated by the core capitalist countries, and recently, China and India, will literally grind to a halt. Being the major source of energy in the core capitalist countries, the comfortable living conditions in Western countries would become a nightmare without oil. Of course, every part of the world uses oil for energy, but it is in the core capitalist countries, and recently China and India, that a disproportionate amount of the world's oil is consumed.⁴⁷

It is oil that greases the wheels of the capitalist global economy, and 'its continued availability – in great profusion – has never been as critical to the healthy operation of the global economy'. Without oil, factories would not operate, the mega cities would be dark at night, food would not be produced on the industrialised farms in the West, and 'the international sinews of globalisation – the planes, trains, trucks, and ships that carry goods and people from one region of the planet to another'⁴⁸ – would all come to a standstill. Logically, any crisis in this oil-dependent global economy, such as the recent recession, will be directly or indirectly related to oil, its production, distribution and consumption. Though the recent recession emanated

from the accumulation 'contradictions of a financialised globalisation',⁴⁹ it was intertwined with the oil-war in Iraq and high world oil prices.⁵⁰

In a global political economic context such as this, oil is the most essential raw material that Africa possesses, and precisely because of this, it is also the strongest direct link between the economies of oil-rich countries and the global economy – particularly in countries such as Nigeria and Equatorial Guinea, where oil revenues contribute a big proportion of their gross domestic product (GDP). This point is amply illustrated by the global oil crisis and the scramble for African oil, making oil-rich countries the destinations of oil-FDI. Though Africa's oil production and proven reserves are relatively insignificant – about ten per cent of the world's production and proven reserves – there is a frantic scramble for it. There are various reasons for this, including the high quality of the oil and the relative safety of exploitation and transportation to the core capitalist countries.⁵¹

The term 'oil rush' used in this paper is borrowed from Michael Klare and Daniel Volman, who used it to describe the extraordinary interests of the world's major oil-consuming nations, led by the US, China and the Western European countries, in the development of African oil reserves. Comparing it to a 'gold rush', they note that oil companies all over the world, especially in these countries, are fiercely competing with each other for Africa's oil fields. Large sums of money have been invested in drilling platforms, pipelines, loading facilities and other production infrastructure.⁵² In non-oil states such as Sierra Leone, Senegal, Guinea Bissau, Côte d'Ivoire, Liberia and Togo, exploration by the US, Chinese, French, British and Canadian transnational oil companies is ongoing.⁵³ Clearly, a 'new scramble is in the making', and 'the battleground consists of the rich African oilfields'.⁵⁴

This situation strikes at the heart of Africa's development problem: the structural stagnation of the continent's economy and the continuity of its colonial export pattern of production. Liberal institutionalists, such as the World Bank and others mentioned before, proffer an apparently convincing explanation. Their refrain? Bad institutions or governance make Africa an unattractive destination for FDI.

Most of Africa is certainly not attractive to industrial or manufacturing factions of global capital, notably the transnational corporations (TNCs), which manufacture textiles and clothing, automobiles, electronics, machinery, and medical and pharmaceutical products. The investment opportunities in Africa's oil and gas sector can attract (and have attracted) both big and small transnational oil companies, including some of the well-known names, such as Shell, Exxon Mobil and Eni. These are TNCs that were high up on *Fortune* magazine's list of the world's biggest and

wealthiest 500 companies in 2015. The continent does not attract a similar profile of companies in the non-extractive industries, not even from apparel and clothing manufacturing TNCs, let alone the other manufacturing TNCs mentioned above – industries that are more technologically sophisticated and intensive. It is hard to find TNCs such as the Marks & Spencer Group Plc, Gap Inc, H&M, Levi Strauss & Co, Adidas Group, Primark, Nike Inc, Samsung Electronics, Apple, Sony, GM, GE, and many others, rushing to invest in Africa.

Confronted with the rush of FDI in the extractive sector of Africa, the institutionalist explanation begins to crack and fall apart. The fact is that the oil rush (and any other natural resources rush) to Africa defies the boundaries of democratic governance and peace, with oil TNCs investing billions of dollars in the Niger Delta, Equatorial Guinea, Gabon, Cameroon, Chad, Sudan, the DRC and Angola (even during the war). The truth is that the oil industry stretches across the world and may be located in 'the most hostile environments',⁵⁵ as transnational oil companies are ready to explore 'oilfields in unstable parts of the world'.⁵⁶ The motivation of oil capital to invest in politically hostile places captures the essence of the capitalist logic of accumulation: profits are the decisive factor in investment decisions. Any other favourable factors, such as democratic and good governance, would be icing on the cake.

The arguments and theories by liberal institutionalists (economists and political scientists alike), suggesting the aversion of FDI to Africa because of bad governance and unfavourable geographical location, are definitively refuted by the historical rushes and scrambles for African natural resources in places that are, by no stretch of interpretation, the best governed and peaceful countries. Contrary to such arguments – and as eloquently rendered by Tony Killick, in the case of Ghana⁵⁷ – FDI in Africa is characteristically imperialist, as Nkrumah correctly observed in his time. As long as imperialist exploitation of African resources remains crucial to the global capitalist economy, no place in Africa is too far or hostile for FDI. 'As analysis of profitable oil ventures in Nigeria or Angola demonstrates', Philips et al. correctly note, 'it is problematic to assume that political instability hinders capital accumulation or indeed that good governance enables it'.⁵⁸ Indeed, as the work of Philippe Le Billon amply illustrates, the oil companies may actually capitalise on bad institutions and 'oil wars' for profits, and are often complicit in corruption and sometimes stoke the fires of war.⁵⁹ Good governance and democracy can attract FDI to businesses other than the extractive industry in Africa, but they don't guarantee this, even in the best case scenarios, such as Ghana.

The case of Ghana's oil and gas industries illuminates the African oil rush and pattern of FDI flow, mainly into the region's extractive industries. Ghana has witnessed a huge surge in FDI into its mining industries since the 1980s, because of the free market reforms it implemented – policies that pried open the Ghanaian economy for profitable investment in the mining sector. As Table 7.1 demonstrates, Ghana is also an attractive destination for the present scramble for oil in the Gulf of Guinea. The country has four prospective oil basins: Tano-Cape Three Point Basin/Western Basin, the Salt Pond Basin/Central Basin, the Accra-Keta Basin/Eastern Basin, and the Voltaian Basin.⁶⁰ Celebrated for its neoliberal economic policies and as a model of liberal democratic peace in Africa, Ghana provides the icing on the cake of FDI with an eye on extractive industries in Africa.

It was a US oil company, Kosmos Energy, that led the rush to Ghana to explore for oil off the western coast of the country. Kosmos acquired licenses from the Ghanaian government, under President John Kufuor, to explore for and drill oil in the Tano Basin, west of Takoradi. The licences were obtained in 2004 and 2006, covering the West Cape Three Points Block and Deepwater Tano Block, respectively.

Table 7.1 Selected oil companies operating in Ghana

Oil Company	Oil Field	Country of Origin	Stock Market
Kosmos Energy	West Cape Three Points/Deep Water Tano Block	US	NYSE KOS
Tullow Ghana Ltd	West Cape Three Points/Tano Shallow Water/ Deep Water Tano Block	UK	LON: TLW
Anadarko	West Cape Three Points	US	NYSE: APC
Sabre Oil and Gas	West Cape Three Points/Tano Shallow Water/ Deep Water Tano Block	US	
LUKOIL	Cape Three Points Deep Water Block	Russia	MCX: LKOH
Aker ASA	<i>South Deep Water Tano</i>	Norway	AKER:NO Oslo
Vitol	South Cape Three Points	Netherlands	
Eni	Offshore Cape Three Points (OCTP)	Italy	BIT: ENI

Hess Ghana Limited (Hess)	Deepwater Tano/Cape Three Points Block	US	NYSE: HES
Saltpond Offshore Producing Company Limited (SOPCL)	Offshore Saltpond Basin	US and Ghana	
Heritage Oil Limited	Offshore Keta Basin/Offshore Tano Cape Three Points Basin	US/Canada	LON: HOIL
Camac Energy	Offshore Tano Cape Three Points Basin	US	NYSEMKT: ERN

Source: Petroleum Commission Ghana, <http://www.petrocom.gov.gh/upstream-operators.html>;

Ghana Oil Watch, <http://www.ghanaoilwatch.org/index.php/ghana-oil-and-gas-fields>⁶¹

Kosmos Energy brought other companies on board – Anadarko Petroleum Company (US), Tullow Oil (United Kingdom), and Sabre Oil and Gas (US). In 2007, Kosmos Energy announced that they had struck oil in commercial quantities in the above-mentioned blocks, now called the Jubilee Field.⁶²

Ghana has come a long way since discovering oil in 2007. Production and lifting of crude oil began on 28 November 2010, and between that date and 31 December 2013, 86 929 million barrels of crude oil had been lifted from the Jubilee Field. Ghana received 15 655 million barrels, constituting eighteen per cent of oil lifted during this period, while the oil companies owned the rest.⁶³ The destination of Ghana's oil is illustrative of the thirst for, and consumption of, oil by the core capitalist countries and the emerging market economies discussed above: 65 per cent went to Europe (most likely, the core capitalist countries), 13 per cent to China and Taiwan, 12 per cent to South Africa, 5 per cent to the US, and 1 per cent to India.⁶⁴

Table 7.2 also illustrates, unsurprisingly, that the oil companies and Ghana made money from the oil industry. What is particularly revealing about this table is the huge disproportion between the earnings of Ghana and the foreign oil companies. Viewed through an uncritical lens, this is unsurprising, because these oil companies have sunk capital, machinery and labour into producing the oil. The incalculable social and ecological costs are often not considered in determining the cost of the exploration, production and supply of the oil.

Table 7.2 Value (in US\$) of oil lifted by Ghana and oil companies over 4 years

Year	Ghana Group	Percentage	Oil Companies	Percentage
2011	444 111 470	16.07%	2 318 760 000	83.93%
2012	534 720 893,20	18.66%	2 331 449 156	81.34%
2013	753 835 179,25	18.85%	3 246 258 882	81.15%
2014	719 869 647,62	21.97%	2 557 026 409,65	78.03%
Total	2 452 537 190,07	19%	10 453 494 447,65	81%

Sources: Calculated by the author with data from the website of Our Oil Money – Ghana, <http://www.ouroilmoney.org/data/liftings/2011/>

It is, however, the key role the Ghanaian neoliberal state plays in all this that is more interesting, intellectually and politically, because of the paradoxes and contradictions that are amplified by its actions and inactions. Infatuated with the liberal discourse of making Ghana an attractive destination for FDI, the Ghanaian government, as will be discussed below, has given ridiculously generous incentives to the oil transnationals.⁶⁵ At first blush, this is understandable because, despite the exploitation, Ghana received US\$3 084 579 587,88 as of August 2015.⁶⁶ This positions the oil and gas industry as becoming a key contributor to the GDP of the country. It contributed 6.3 per cent of GDP in 2014, more than the contribution of manufacturing of 6.2 per cent (Table 7.3). It is certainly a good source of foreign exchange – very scarce in an aid- and commodities-dependent economy such as Ghana's.

The rationale of the Ghanaian state leveraging the flow of FDI into the oil and gas industries is clear, viewed through a short-term development perspective; and, of course, in terms of the political survival of the governing political classes, who will be returning to Ghanaians to renew their mandate and to continue governing. Development projects are needed in this political survival campaign, and oil-generated revenues provides the funding for them.

A long-run development perspective and a longer historical approach to Africa's insertion in the capitalist global economy will, however, turn self-evident rationalities into foolishness and self-inflicted injuries. The data presented in Tables 7.1, 7.2 and 7.3 may just be snapshots of the present situation relating to some dynamics of the Ghanaian oil industry, but for what they are worth, they throw light on the set of arguments broadly laid

out about Africa in the preceding pages. On the oil rush, Table 7.1 illustrates that most TNCs engaged in the exploration and production of oil and gas in Ghana are based and trading their stocks in the core capitalist countries.⁶⁷ Closely related to this are the exploitative terms on which the Ghanaian economy is articulated with the global capitalist economy as a commodities frontier for the Western industrialised countries, and recently, the emerging market economies of China and India (Tables 7.1 and 7.2). Table 7.3 is instructive on the structure of colonial export economies of Africa, of which the key characteristics are the miniscule contribution of manufacturing to their GDP on the one hand, and on the other, the major contribution of agriculture and the service sectors.

Table 7.3 Contribution to GDP of Ghana by different sectors of the economy (in percentages)

SECTOR	2009	2014
Agriculture, forestry, fishing and hunting	32.9	20.7
Fishing	2.5	1.5
Mining and quarrying	2.1	9.5
Oil	0	6.3
Manufacturing	7.2	6.2
Electricity, gas and water	1.2	1.1
Construction	9.1	12.8
Wholesale and retail trade; repair of vehicles; household goods	12.5	10.3
Hotels and restaurants	6.4	4.8
Transport, storage and communication	12.8	13.9
Finance, real estate and business services	5.3	6.7
Public administration and defence	7.2	8.5
Other services	9.7	10.4
Total	100	100

Source: African Economic Outlook 2015, http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2015/CN_data/CN_Long_EN/Ghana_GB_2015.pdf

FRAGILITY OF THE COLONIAL EXPORT ECONOMIES OF AFRICA

Until the 2007/2008 global economic recession, the world economy seemed to be in good health, but this was founded on a bubble of globalised finance, superintended by the powerful states of the core capitalist countries. The seemingly booming world economy was accompanied by a rise in the prices of commodities produced and exported by African countries, such as oil, especially in the first decade of the twenty-first century. For example, world oil prices rose astronomically because of its critical role in the social reproduction of the global economy,⁶⁸ fears of a peak, and speculative investment in it⁶⁹ – what has been conceptualised as a ‘speculative bubble in oil futures’.⁷⁰

Viewed against this background, it is easy to understand why commodities-exporting African countries were witnessing spurts of economic growth. This glimmer of hope for the resurgence of the continent’s economy, in the way that it was driven by a boom in commodities prices and the global economy, was ephemeral, however, for two reasons. Firstly, because the world capitalist economy is embedded in inherent contradictions; and secondly, because intrinsic to this are the cyclical crises it experiences from time to time. Closely related to this is the frequent fluctuation of commodities prices on the world market. It is logical to reason that an upswing in the demand and prices of commodities at one point is bound to face a counteracting tendency: a downswing in demand and prices at another point.

Historically, oil is particularly known for this type of situation,⁷¹ and this happened recently, sending the economies of oil-dependent countries into turmoil. After a price-hike and relative stability for four years, during which a barrel of oil was US\$110, the oil price tumbled by 75 per cent from June 2014, to below US\$27 in January 2016.⁷² Oil and gas contributed 53.4 per cent of Equatorial Guinea’s GDP in 2014. Little wonder that the country’s economy was hard hit by the slump in the world oil price, sending it into recession in 2013. With a negative growth rate estimated at -2.1 per cent, the country failed to recover in 2014.⁷³

The African Economic Outlook (AEO) is a reputable organisation that provides comprehensive and comparable data and analysis of the 54 African economies. Its forecast of the economic outlook of the oil-rich countries for 2015 showed the negative impacts of the slump in world oil prices on the economies of these countries. Though the seriousness of the impacts varied from country to country, overall, they showed the way in which, as commodity frontiers, the economies of African countries are constantly caught in the whirlpool of cyclical upswings and downswings of the capitalist global economy.⁷⁴ Throughout history, these cyclical crises have consistently

militated against sustainable growth and equitable development of these countries. For Nigeria, for example, the AEO forecast a 'moderate growth of 5 per cent' because of the country's 'vulnerability to slow global economic recovery, oil-price volatility and global financial developments', and because low oil prices would 'lead to a sharp decline in fiscal revenues'.⁷⁵ Similar forecasts characterise the economic outlooks of South Sudan,⁷⁶ Gabon⁷⁷ and Angola.⁷⁸

Ghana's economy was Africa's fastest growing economy in 2011, registering a GDP growth of 14.4 per cent. By 2014, the Ghanaian economy was in deep crisis, with the cedi (the Ghanaian currency) tumbling in value relative to the core capitalist countries' currencies, rising budget deficits, and ballooning debts. Two contrasting stories on the Ghanaian economy, one upbeat and the other gloomy, illustrate how fragile the African economies are, serving, as they do, as the commodity frontiers for the core capitalist countries. Steven Radalet started his *Emerging Africa* on an upbeat note, exemplified by Ghana:

Consider Ghana, where over the past 15 years the economy has grown by a robust 5 per cent per year, translating into annual growth in income per person of 2.6 per cent per year, well above the global average of 1.9 per cent. As a result, the income of the average Ghanaian has increased by more than 40 per cent. Investment has doubled, and so have exports.⁷⁹

Five years later, the economy of Ghana was in dire straits, as captured by the *African Economic Outlook*:

High growth rates over recent years have been accompanied by the build-up of macroeconomic imbalances. In 2014 current account and fiscal deficits widened to 9.2% and 10.4% of GDP respectively, and the rate of inflation averaged 17.0%. By the end of December 2014, foreign reserves were at 3.2 months of import cover, thanks to inflows from the Eurobond of USD 1 billion and a cocoa syndicate loan of USD 1.7 billion. The domestic currency, the cedi (GHS), depreciated by over 30% in nominal terms over the first nine months of the year compared to a depreciation of 4.1% during the corresponding period in 2013. The continued growth in the budget deficit resulted in public debt increasing from 55.8% of GDP in December 2013 to 67.1% of GDP by the end of December 2014.⁸⁰

This situation culminated in a bailout from the International Monetary Fund (IMF). So, instead of a resurgent Ghanaian economy, Ghanaians are

currently (January 2016) facing a resurgent IMF and the renewal of its structural adjustment programmes (SAPs), which began more than three decades ago. The resurgent IMF inflicts more hardships on Ghanaians as the government continues to implement austere fiscal policies that cause utility and petroleum prices to shoot through the roof, squeezing its citizens like oranges with taxes that seek to capture their meagre incomes in every way possible.

As part of the global capitalist governance apparatuses, the IMF, on the surface, is trying to help Ghana fix its economic crises through sound macroeconomic policies. This should ordinarily be welcomed as a benevolent gesture, as every country, regardless of its ideological inclination, needs sound macroeconomic management to develop. The reality is, however, more complex. The IMF, as a key governance institution of the capitalist economy, uses these policies to create the conducive macroeconomic climate that transnational mining and oil companies need to exploit Africa without transforming the exploitative production division of labour and the unequal exchange relations captured above. The policies of the IMF and World Bank are imperialist, the thrust of which is to create primitive accumulation in the peripheries, the necessary condition for global capital to accumulate in the extractive industries.

Ghana and most African countries will continue to face these economic crises for as long as they fail to transform the colonial export structures of their economies after gaining independence. The lazy attitude of always resorting to the IMF and World Bank for help in times of crisis, as the Ghanaian state has done, is not innocent but strategic. Faced with the herculean task of struggling against the powerful forces of the global capitalist economy – and to transform their colonial export economies to industrial ones – most of the political classes of Africa have chosen the easy and selfish strategy of political survival and accumulation. As felicitously captured somewhere, this is a strategy where ‘seamanship often matters more than navigation’ and ‘staying afloat (is) more important than going somewhere.’⁸¹

This is the strategy of non-developmental petro-states, as elucidated in the next section. In contrast, however, to the banal arguments of the liberal institutionalists, non-developmental petro-states are not necessarily a species born of an intrinsically pathological ‘African state’. They are also not disconnected from the mechanisms and modalities of the global capitalist economy. On the contrary: they are closely related and mutually reinforcing.

A FAILING GHANAIAN PETRO-DEVELOPMENTAL STATE?

Focusing on Ghana, this section briefly and critically reflects on my internationalist analysis *vis-à-vis* the emerging oeuvre on the prospects of a 'petro-developmental state' emerging in oil-rich African countries.⁸² This body of work is a radical and refreshing departure from the now stale 'resource curse' framework that has informed discussions and development policies on resource-rich African countries. The internationalist approach adopted in this chapter is ontologically structuralist, taking as its unit of analysis the global economic system rather than unitary states. Politically, the point of intervention for progressive change is external to the state, namely, the capitalist global economy. This foregrounds international measures to bring about a more just economic order, for example, addressing the technological gap and unfair international division of labour between African and the core capitalist countries.

In its most banal rendition, the internationalist approach tends to ignore endogenous obstacles to a country's development, particularly the nature and role of the state. One of the serious blind spots of this approach is the helpful theoretical and policy insights the developmental state approach, in general, and the petro-developmental state, in particular, contribute to our understanding of the prospects and challenges of oil-led industrialisation in Africa. This approach, while attuned to the structural and external constraints on oil-driven development in Africa, emphasises the possibilities of this happening with the emergence of an effective and capable state. Some African oil-rich states are using local content laws and policies (LCPs) to shape the oil and gas industry in ways that have the potential to 'foster industrialisation and diverse economic growth' in these countries.⁸³ Adherents of this approach can argue that, historically, oil-rich states somewhere – for example, Norway, Canada and Scotland – have been able to harness opportunities in the oil and gas industry to foster the industrialisation of their economies. LCPs may be signs of efforts by emerging African petro-developmental states to replicate oil-driven industrialisation in Africa.

Despite my internationalist optic, this chapter is acutely aware of, and greatly sympathetic to, the useful theoretical and policy insights of the petro-developmental state approach. Indeed, for this author, the internal and international dichotomy of the dynamics shaping the possibilities and constraints of oil-led development ought not only to be transcended, but the two should be synchronised and calibrated to craft a comprehensive, yet tight, framework for understanding this complex issue. On the specific issue at hand, one thing needs emphasising: despite the power of the

transnational oil companies and their home states (such as the US), African states, weak as they are, economically and militarily, are not beholden to these powerful forces of the global capitalist economy. President Idriss Deby of Chad, defied the World Bank when it was politically expedient for him to do so. He refused to comply with the terms of the much-acclaimed oil-pipeline agreement he had signed with the bank, compelling it to cancel the agreement. He also expelled Chevron and Petronas, a US oil company and Malaysian state-owned oil firm respectively, accusing them of cheating Chad of its oil revenues.⁸⁴

Not only is there always room for African states to manoeuvre – however limited it may be – there is always room to act. The fundamental question is: in whose interests does the state manoeuvre or act? The answer must be informed by one's specific perspective of the state and the role it is expected to play in society, particularly in the economic and political spheres, as well as the domestic and international. For this approach, these spheres are not separate: they are organically linked. And the state – specifically, its organisational apparatuses and the human beings who animate them – is neither ahistorical, apolitical, nor national in its outlook, actions and inactions.

The neo-Marxian/-Gramscian theory of the state – its distinct characteristics and the role it plays in society, both domestic and international – informs this chapter's analysis of the possibilities and limits of a petro-developmental state emerging in Ghana. Robert Cox's seminal work on this is germane here. A specific form of state crystallises from a specific historical structure in interaction with and in relation to two other elements of this structure: social relations of production, and world order. The apparatuses of state, and the people whose actions animate them, do not exercise power neutrally, guided only by the public good of a country. Their exercise of power and their decision making are influenced powerfully by the dynamics and forces of historically-specific social relations of production and world order.

In this framework, the *raison d'état* of a state's domestic and foreign policies is shaped by the interlinked social forces of production and world order. 'A particular configuration of social forces,' Cox asserts, 'defines in practice the limits or parameters of state purposes, and the *modus operandi* of state action, in other words, the *raison d'état* for a particular state.'⁸⁵ The Ghanaian neoliberal state is a specific form of state, whose institutional architecture and functions are shaped by the contemporary neoliberal world order and capitalist social relations of production, presently the predominant mode of production under this world order. The policies and regimes the Ghanaian state designs to maximise the industrialisation potentials of the oil and gas industry must be understood against this political-economic

context, as well as the colonial background of its formation as mapped out above.⁸⁶

In examining the question, in whose interest the weak Ghanaian state manoeuvres or acts, the internationalist approach of this chapter is not as sanguine about the prospects of the emergence of a petro-developmental state in Ghana. Why? Because the Ghanaian state elites, both political and bureaucratic, will manoeuvre in the interests of global capital. The social forces of the present historical structure – the neoliberal world order, with the capitalist social relations of production, and the neoliberal forms of state, both powerful and weak – are the most inhospitable political-economic context for nationalistic development policies, such as state-led industrialisation policies by weak, but neoliberal, states like the African oil-states.

At issue here is not so much the weakness of the African states, economically and militarily, but the class alignment of the elites of these states. These include the political elites (presidents, vice-presidents, chiefs of staff, ministers, parliamentarians and other political appointees), bureaucratic elites (top officials of ministries, departments and agencies), and business elites (people engaged in various profit-making activities in the private sector). Focusing, for a moment, mainly on the political class, weak African states are internationalised. The apparatuses of the state are used, by the political elites, less to serve the national development agenda than to serve the interests and needs of global capital. As argued by neo-Marxian/-Gramscian scholars, the state still plays an important role in this era of neoliberal globalisation and world order, but it does so by formulating, implementing and adjusting national economic policies in harmony with the dynamics and demands of the global capitalist economy.

Rather than honouring their obligation to the national development vision, Robert Cox will argue that the African neoliberal state's policies are shaped by the 'international obligation' to serve the requirements of the global economy and its powerful forces of capitalism, like the strong Western states and their transnational corporations.⁸⁷ As mentioned earlier, the driving force of this is not necessarily a weakness, but the hegemony of global capitalism, shot through with political elites who believe in the ideas of global capitalism and the free market. These elites are, to a greater or lesser extent, part of what neo-Gramscian scholars conceptualise as the 'transnational capitalist class'.⁸⁸

Yet the Ghanaian neoliberal state, contrary to the preceding pessimistic view, seems to be acting as a petro-developmental state. It has formulated one of the most ambitious LCPs in Africa, aimed at creating an enabling environment for full local participation in 'all aspects of the oil and gas value

chain of at least 90 per cent by 2020'.⁸⁹ To breathe life into this policy, it has set up the Enterprise Development Centre (EDC) to 'provide support to Ghanaian Small and Medium Enterprises (GhSMEs) to competitively position themselves and take advantage of the numerous business opportunities in the oil and gas sector'.⁹⁰

The oil contracts that Ghana signed with the foreign oil companies (FOCs) have stipulations aimed at transferring technology to the national oil company, Ghana National Petroleum Corporation (GNPC). Also stipulated are building and improving the expertise of local workers in the oil and gas industries by obligating the FOCs to pay for the education and training of Ghanaians in these industries, as well as requiring them to employ as many qualified Ghanaians in the industry as possible. Some of the oil contracts this author has examined contain the following potentially development-promoting provisions: oil companies are, subject to other conditions, enjoined to sell their imported plants, equipment and goods to GNPC first before any other buyer; similarly, they are to procure these goods (and other services) from Ghana subject to some conditions.

The oil contracts also make it mandatory for as many qualified Ghanaians as reasonably possible to be employed by the oil companies; the FOCs will also pay a training allowance and technology support to GNPC, amounts ranging between several thousands, hundreds of thousands, and millions of US dollars; and GNPC staff should be allowed to work on secondment with the oil companies to acquire additional technical and management expertise in the industry.⁹¹ The fiscal regimes of these contracts try to capture as much in revenues as possible from the FOCs for the state through taxes (surface rentals, withholding tax, petroleum income tax), royalties, additional oil entitlement and participating interests (both initial and additional).

On the surface, the Ghanaian state is making efforts to use LCPs and oil contracts to capture revenues, promote technology transfer, add value to oil and gas, and create linkages between the oil and gas industries and other sectors of the economy. If scrutinised carefully and deeply, however, one finds that the reality is always more complex, and the Ghanaian state draws closer to Soares de Oliveira's 'successful failed states'⁹² than Ova-dia's 'petro-developmental state'.

The Ghanaian state is successful because of its amazing capacity to do two important things. Firstly, it has the ability to dispossess fishers and peasants in the 'catchment area' of the oil and gas industries, which affects the fishing and farming communities dotted along the country's western coastline, such as Domunli enclave, Cape Three Points, Senzule, Ankokyi, Ewosi ejo, Axim, Atuabo, European City, Princess-Town, Esi ama,

Half-Assini, Aboadze and the rest. Secondly, it has the ability to enable the accumulation of super-profits by the oil companies in 'a sustained, predictable, and legal fashion'⁹³ through oil contracts and other related regimes and policies, and, of course, by providing security to the oil industry and FOCs and their assets through its monopoly over, and control of, coercive agents and weaponry. It is therefore a successful transnationalised state, but it is simultaneously a 'failed state' because it has not acted in the interest of the national development agenda, failing to formulate oil governance regimes that will promote energy-led industrialisation.

In crass abuse of the power given to them by the people, state elites are complicit, explicitly or tacitly, in the deleterious social and environmental effects the FOCs and GNPC cause in the above-mentioned communities. Their sources of livelihood, the ocean and land, have been seized by the FOCs and GNPC; both their onshore and offshore ecology is polluted and damaged from toxic chemicals produced by the oil and gas industry, such as flaring of gas and disposal of waste water. Fishers in these communities are experiencing reductions in their catches, rampant deaths of whales on their beaches, and an unprecedented growth of seaweeds that fill their nets, instead of fish, when they do still go out to fish. With the *visible* and *forceful* hand of the Ghanaian state in all these, the liberal mantra of the free market is, indeed, 'a stark utopia.'⁹⁴

Whilst the Ghanaian state does not have money to provide the most basic necessities of life to its citizens (such as water, toilets, schools and so on), let alone embark on capital and technology-intensive industrialisation, its transnational state elites have, through various actions and inactions, signed away billions of dollars to the FOCs. Oil contracts are the best indicator of the success (or failure) of the Ghanaian state to maximise the development potentials and possibilities of the oil and gas industries.⁹⁵ They are, however, complicated legal documents, difficult to read and understand, so pinning down answers to specific questions is difficult, akin to 'playing a game of Snakes and Ladders.'⁹⁶ Yet some issues can be as clear as daylight to the reader. There are numerous clauses and conditions legitimising the exploitation of Ghanaians by the FOCs that jump out at this author when reading these contracts – terms that essentially cancel out all the benefits highlighted above.

The Ghanaian model oil agreement and specific signed oil contracts stipulate incredibly generous incentives to the FOCs.⁹⁷ The relevant clauses are those on taxation, foreign exchange transactions, ownership and control of goods and equipment, and many more. Taxation is one of the key mechanisms of capturing more revenues from the FOCs for Ghanaians. Yet the

FOCs have been able to secure extremely liberal and generous tax regimes in their contracts, and have been exempted from various taxes, duties, fees, and charges such as duties and VAT on their imports and exports, and on many other taxable transactions they may be engaged in. For example, they can import into Ghana and again re-export their plants and equipment duty-free; they can export the oil they exploit from Ghana to their home states duty-free; their foreign employees can import into Ghana and export back to their home countries their personal and household effects duty-free; and many other ridiculous tax exemptions. On foreign exchange transactions, the relevant article in the contract is very liberal, allowing the oil companies to repatriate to their home countries their profits and any other cash they earn from Ghana.

The article in the Ghana Model Petroleum Agreement on the procurement of goods, services and equipment from Ghana is formulated in such a way that it essentially defeats the purpose of the LCPs it set out to serve. The supplies will be procured from Ghana only IF they can be 'supplied at prices, grades, delivery dates, and on other commercial terms equivalent to or more favourable than those at which such materials, services, and products can be supplied from outside Ghana'.⁹⁸ Similarly, the article on ownership and control of equipment and goods is not aggressive in claiming ownership of industrial equipment and plants from the FOCs for Ghana, something crucial for technology transfer. Despite its goal of promoting technology transfer from the FOCs – and in clear discordance with its industrialisation vision – the Ghanaian state permits these companies to re-export leased and rented assets. The assets and equipment of subcontractors are not transferrable to GNPC, and all other equipment and assets not affected by the substantive sub-articles on these issues (articles 19.1B and others) 'may be freely exported by the Contractor or its Subcontractor, respectively, at its discretion'.⁹⁹ This article has so many provisos governing the possession of equipment and plants of FOCs by Ghana – as well as loopholes – that make it very difficult for Ghana to take possession, while making it easier for the FOCs to use them, honestly or dishonestly, to avoid possession of their assets by Ghana.

Some civil society organisations have also expressed serious concerns over the type of oil contracts/agreements Ghana has chosen, especially their fiscal regimes, and the procedures for awarding some of them. On the former, Fair-Trade Oil Share-Ghana (FTOS-Gh) and the Ghana Institute of Governance and Security (GIGS) have vociferously and vehemently criticised the Ghanaian government for choosing what they termed the 'Hybrid System' over the Production Sharing Agreement (PSA). Led by US-based Professor Lungu and Mr Solomon Kwawukume, Senior Researcher Officer

of GIGS, and supported by Imam Adam Abubakar, Chief Imam of Tema Metropolis, and Togbe Nakakpo Dugbaza VIII, Paramount Chief of Tefle Traditional Area, FTOS-Gh and GIGS have used various advocacy strategies to draw the government's attention to the exploitative fiscal regimes of the Hybrid System relative to the PSA fiscal regime, believed to be fairer and more beneficial to Ghana. By their calculation, Ghana has lost over US\$6 billion dollars (in the last five years since oil production started in 2010) to the FOCs – a loss they attribute to the exploitative fiscal regimes of the Hybrid System.¹⁰⁰

The Africa Centre for Energy Policy (ACEP) has also criticised the Ghanaian government for a number of irregularities and lack of due diligence and transparency in the awarding of gas contracts. The Ghana National Gas Company (Ghana Gas) is accused of sole-sourcing contracts to some companies (SINOPEC, Quantum Terminals Ltd and Africa Power Generation Ltd), signing international agreements and offering tax exemptions without parliamentary approval.¹⁰¹ Another case that betrays the plundering of Ghana by FOCs is the US\$7 billion Eni/Sankofa gas deal signed between ENI/VITOL and GNPC. Some of the exploitative elements of the contract that the government is accused of signing include: a 20 per cent return on investment instead of the normal 12.5 per cent; the fact that Ghana is required to buy gas from ENI at an extremely high price of US\$9.8/MMBtu – as against the standard world price of between US\$5–7/MMBtu, and even worse, higher than the price of US\$8.3/MMBtu Ghana pays for gas from Nigeria; a guarantee of a ready and uninterrupted market for ENI's gas at this high price by tying the GNPC to buy up to 90 per cent of the gas for 20 years; and guarantees against default on the preceding purchase agreement by the government of Ghana, the World Bank, and GNPC to an amount of about US\$750 million.¹⁰²

The government of Ghana has denied some of the above charges, and in the case of the fiscal regimes governing the contracts it has signed with the FOCs, it has disputed the revenues Ghana has captured or lost, by the calculations of FTOS-Gh and GIGS. In a presentation to the Ghanaian parliament in response to FTOS-Gh's and GIGS's campaign against the hybrid fiscal regime, the Ghana Petroleum Commission, while disputing and discrediting FTOS-Gh's and GIGS's claims, suggested that the generous incentives to FOCs are aimed at attracting investors. In an all-too-familiar liberal rhetoric, it asserts that an 'asset (such as oil underneath the ocean) has no value unless developed'.¹⁰³

Despite the denial of the above charges, what the government admits through the riposte of the Ghana Petroleum Commission, as well as the paper

trail of the oil contracts, amply illustrates a neoliberal form of Ghanaian state committed to promoting the interests of global capital. It does so, not necessarily because it is not committed to the development goals of Ghana, but because it thinks that these goals are better served by capitalist accumulation and FDI. As correctly pointed out by Philips and his co-authors, the Ghanaian neoliberal state 'is making a trade-off with foreign capital that has been made by many African states before: exchanging territorial access for technological access, or the means to extract resources and enable primitive accumulation in technically challenging environments'.¹⁰⁴

CONCLUSION

We live in the age of 'new extractivism',¹⁰⁵ an era in which extractive industries are widely viewed by actors of the development industry – across the right-left political spectrum – as great opportunities to solve Africa's intractable development problems. By no means reaching a consensus on how this may happen, the development promise of the oil and gas industries is broadly believed to lie in FDIs, revenue capture and local content policies and laws. This chapter draws on the analytical tools of critical international political economy to interrogate the main claims of this new development thinking. Specifically, it takes a *longue durée* view of the articulation of African economy with the capitalist global economy as a commodities frontier, serving as a quarry of raw materials from which the core capitalist countries (now joined by new industrialising countries like China, India and Brazil) draw to feed their industries. The fundamental question it addresses with this approach is whether being a commodities frontier in the twenty-first century capitalist global economy, with natural resources such as oil becoming ever more important to the core regions of this economy, makes the development prospects of Africa, particularly, better.

While showing great sympathy for this new development thinking, especially the petro-developmental state perspective, the preponderance of historical and contemporary evidence of the (neo) imperialist plundering of African natural resources, through the mechanisms of global primitive accumulation, points to one disconcerting reality: the development promise of natural resource extraction and trade for Africa in the twenty-first century is as dismal as ever before. The structural obstacles to industrialisation-through-imperialist-exploitation are still huge, but this is just a constraint, not an impossibility. It is possible for a petro-developmental state to act prudently, but forcefully and aggressively, to exploit the twenty-first century

cyclical crises of global capitalism – and the rush for natural resources in Africa to deal with them – in order to promote energy-led industrialisation.

This will require not just a capable and effective state institutionally, but a nationalistic state, ideologically. The evidence emerging from the actions of the Ghanaian state suggests a quintessential internationalised neoliberal Ghanaian state, more committed to serving the requirements of global capital, believing that this is concordant with and propitious to its industrialisation agenda. This chapter has illustrated all along that this way of thinking is naive.

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Inclusive Development in Nigeria

Beyond the fetishism of GDP and challenges of poverty reduction

Samuel O. Oloruntoba

INTRODUCTION

With the return to democratic rule in 1999, Nigeria has embarked on various macro-economic reforms with the aim of transforming the economy and making it more productive.¹ Although the reforms have taken place in an atmosphere that seems incommodious,² they have led to economic growth, measured in terms of the gross domestic product (GDP). However, the growth has not translated into general improvement in the standard of living of the people.³

The initial post-military reforms were based on economic blueprints that were formulated and executed by the Economic Management Team (EMT) constituted by former president, Chief Olusegun Obasanjo (1999-2007). The National Economic Empowerment Development Strategy (NEEDS) and its variants at the state and local government levels, namely the State Economic Empowerment Development Strategy and Local Economic Empowerment Development Strategy (SEEDS and LEEDS), were clear in their objectives. These were: fast-tracking the diversification of the oil-based economy to a non-oil-based one; reducing the foreign debt burden; investing in infrastructure; guaranteeing the independence of the central bank; achieving banking consolidation; strengthening the legal framework for protection of property and assets; and boosting private sector-led development.⁴ The Yara'dua administration also focused on a seven-point agenda, which included political reforms, reforms in the power sector, agriculture and so on. The Jonathan administration, which effectively took off in 2011, had a transformation agenda in which power reforms, education, diversification of the economy and other issues of national concern featured prominently.

The overarching philosophy of the Transformation Agenda of the Goodluck Jonathan administration is to develop infrastructure and create a sound environment for industrial development, and invest in the production of (a) skilled and healthy workforce ... tackle the problems of infrastructure deficit, rising recurrent expenditure, rising income inequality and high poverty and unemployment rate and lay the foundation for (a) high level of economic

growth and development necessary to achieve the long term targets of (the) National Vision 20:2020 (sic).⁵

With the rebasing of the economy in early April 2014, the country became the largest economy in Africa, with a GDP of over \$500 billion.⁶ Measured in terms of the GDP, the country, with an estimated population of 170 million, is a regional power house. However, in spite of the high GDP, poverty and inequality have continued to grow. Despite the high economic growth rate, Nigeria was classified as a low development country, alongside countries like Chad, Mali, Liberia and Afghanistan, in the 2013 United Nations Development Programme's Human Development Index for 2013.⁷ This implies that while economic growth was impressive, albeit not sufficient, inclusive development was not achieved. Corruption among the political elites and certain members of the private sector with close links to the corridor of power has continued unabated.

The concern over governance and its implications on redistribution in Nigeria and other parts of Africa has received massive scholarly attention.⁸ In his classic book on prebendalism in Nigeria, Joseph⁹ notes that the problem with Nigeria is not merely corruption, but its very inherently prebendal nature, in which public officials use their positions for private accumulation. In Diamond's interpretation of this perspective on corruption, one sees its intrusive and corrosive nature even on the value systems of the people who are at the receiving end of corruption, as they actually '*expected* that state office would be acquired and used for the material benefits of the office holders and their constituents and groups'.¹⁰

The challenge that the centralised federal system of government poses to efficiency in the distribution of resources and delivery of public goods has also been examined in literature.¹¹ Scholars have established an inextricable link between electoral democracy and its processes, on the one hand, and the cost of governance related to the high level of corruption and 'accumulation by dispossession', on the other, that have defined Nigeria's political economy realities.¹²

This chapter takes the arguments of the various scholars forward by weaving together the factors that act as hindrances to translating growth into inclusive development. These are: the fetishism of GDP (paying undue cognisance and attention to growth in GDP as a measure of economic progress); over-centralised federalism; a sociological proclivity to prebendalism by state officials; insufficient state capacity in ensuring transparency; formulation as well as implementation of appropriate policies for poverty reduction; and the high cost of governance.

The chapter further examines the arguments around the appropriateness of GDP as a measure of economic progress in a developing country like Nigeria, within the context of the theories that inform it. It also highlights the limitations of economic growth in an environment in which poverty and inequality are pervasive. Consequently, the chapter interrogates the governance challenges that confront Nigeria and how these obstruct the translation of economic growth into economic development. The various poverty reduction strategies adopted by the Nigerian governments since 1999 are examined to show their achievements, failures and weaknesses. The chapter concludes with recommendations on how the challenges identified could be mitigated such that the goal of poverty reduction and inclusive development will be realised in the country.

FETISHISM OF GDP

The international economic environment has changed dramatically since the end of the Second World War, particularly as regards economic policy prescriptions and practices. To a great extent, these changes have been informed by the hegemonic control of the views and preferences of international organisations, such as the World Bank and the International Monetary Fund (IMF), on what constitute the right and appropriate policies for the developing and less developed countries of the world.¹³

The discipline of Economics has been the midwife for the delivery of the various theoretical and policy formulations that inform the changes in the direction of what constitutes development and the best ways to achieve this. Development economics, in particular, has undergone serious transformation, from its original focus of studying society from a multi-dimensional and multi-disciplinary perspective to a unilinear prism in which the problem of the society is interpreted from the lens of a calculating, rationalising and profit-seeking agent.¹⁴ In other words, the complex, dynamic and often interrelated issues associated with macro-economics are being studied and applied through the prism of microeconomic firm-level assumptions. As Fine¹⁵ argues that there is a 'new and virulent form of economic imperialism that takes neoliberal free market dogma, which presumed that more or less all economic and social phenomena could be explained by reference to the more or less perfectly coordinated, rational, optimising behaviour of individuals', has become the order of the day. Although there have been some modifications to these assumptions through the work of scholars like Joseph Stiglitz, which reveals market imperfection and the absence of

complete information, the dominant paradigm in economics still reifies the belief in market efficiency.

The focus on the GDP as a measure of economic progress flows from the neoclassical economic adherence to market principles. Since GDP is calculated taking account of activities in the formal sector only, it becomes imperative for policy makers to ensure that all economic activities fit into a certain prescriptive model. Fioramonti¹⁶ gives a detailed account of the origin of the use of the GDP as a measure of economic performance. According to him, GDP was originally developed in the United States of America (US) in the 1930s as a tool to guide the economy under extreme circumstances, such as the Great Depression and the Second World War. He explains GDP as a measure of economic output, in terms of all of a nation's consumption, private investment and government spending, 'regardless of whether they are produced by national or foreign companies'.¹⁷

GDP is market-inducing and market-oriented. Consequently, non-market variables in the society, such as services rendered within the household, informal economy, odd jobs and all manner of voluntary activities that enhance and ensure societal harmony and cohesion are not taken into account. Also, the desire for profit maximisation and accumulation under the hubris of the market ensures that little consideration is paid to the environment. Various accounts have shown that the current growth narrative in Africa is focused largely on the exploitation of natural resources.¹⁸ Despite the danger that this poses to sustainable development, it sits well with the neoclassical model and the theory of comparative advantage under which the fetishism of GDP is constructed.

The fetishism of GDP as a measure of economic performance can be seen in the devotion that government officials, international institutions and private equity firms pay to it. In this regard, GDP serves as the basic yardstick for categorising countries into developed, developing or less developed, upper-income, middle-income and low-income countries. In recent times, private equity firms like Goldman Sachs have even used it to classify countries into geopolitical zones of influence and the next economic growth poles, such as BRICS (the bloc comprising Brazil, Russia, India, China and South Africa) or MINT (the economies of Mexico, Indonesia, Nigeria and Turkey). Despite the high rates of GDP that informed the status of these countries, the categorisations obscure the great levels of poverty and high rate of inequalities in these countries.

To elaborate, most of the reforms that brought about the now celebrated economic growth in Nigeria and other parts of Africa are informed by market-oriented economic principles, such as liberalisation; independence

of the central bank; inflation and interest rate targeting; exchange control liberalisation; a corporate governance structure that favours the owners of capital at the expense of labour; privatisation of state-owned enterprises; capital-friendly investment laws; and labour flexibility.¹⁹ In the case of Nigeria, the economy has been largely monocultural and dependent on revenue from the extractive sector, especially oil exports. Various efforts to diversify the economy have yielded very little result, as infrastructure deficit remains a very big challenge for large and small companies.

Although other methods of measuring human progress, such as the Human Development Index and the Gross National Happiness Index, have been developed, 'the substantial vested interests in favour of GDP influence its wide use as a welfare indicator, despite its well-known methodological flaws'.²⁰ The substantial interests mentioned above are those of global capital and their allies in government. They are the group of people that Stiglitz²¹ refers to as the top one per cent, whose share of national wealth has continued to increase astronomically in the face of grinding poverty and inequality in both the global north and south.

While innovation and technological invention are necessary parts of human progress and modernisation in the society, the market-inducing growth model of the post-Second World War period has paid less attention to job-creating growth, the sense of community and shared humanity. Rather than foster inclusive development, the GDP growth model has been concerned with private accumulation at any cost. As Tables 8.1 and 8.2 below show, most of the growth frontiers in Africa are also the poorest, as they are correctly classified as low development.

Table 8.1 Macroeconomic development in Africa

Real GDP growth (%)				
	2011	2012 (e)	2013 (p)	2014 (p)
Central Africa	5.2	5.7	5.7	5.4
Eastern Africa	6.3	4.5	5.2	5.6
Northern Africa	-0.1	9.5	3.9	4.3
Southern Africa	4.0	3.7	4.2	4.6
Western Africa	6.8	6.6	6.8	7.4
Africa	3.5	6.6	4.8	5.3
Africa (excluding Libya)	4.3	4.2	4.5	5.2

Memorandum items				
North Africa (including Sudan)	0.1	8.8	3.8	4.3
Sub-Saharan Africa	5.5	5.2	5.4	5.8
Oil-exporting countries	2.8	8.7	5.2	5.6
Oil-importing countries	4.3	3.9	4.3	4.8
Consumer prices (inflation in %)				
	2011	2012	2013	2014
Central Africa	4.5	4.4	3.5	3.4
Eastern Africa	16.1	21.3	10.9	9.4
Northern Africa	7.3	7.2	7.1	7.3
Southern Africa	6.7	6.5	6.5	6.2
Western Africa	9.3	9.8	8.0	7.8
Africa	8.5	9.1	7.4	7.2
Memorandum items				
North Africa (including Sudan)	8.2	8.9	8.0	8.0
Sub-Saharan Africa	8.7	9.2	7.1	6.7
Oil-exporting countries	10.3	10.6	9.0	9.1
Oil-importing countries	6.9	7.9	8.0	5.3

The table was adapted from the UN report on African Economic Outlook available at: <http://www.undp.org/content/dam/rba/docs/Reports/African%20Economic%20Outlook%202013%20En.pdf>.

Table 8.1 shows the post-crisis growth and inflation rates in 2011, with projections for 2013 and 2014. It shows that the Western Africa sub-region had an average growth rate of 6.7 over the period.²² As the largest economy within the sub-region, Nigeria's economy accounts for most of this growth. Notwithstanding the high growth in GDP, Nigeria is classified as Low Human Development country.

Despite the high growth rate, only four countries were classified by the United Nations as very high and high development. Ten other countries were classified as medium development countries, while 37 were classified as low development. Instructively, along with Nigeria, many of the best performing countries, such as Ethiopia, Burkina Faso and Angola were classified as low development.²³ It is important to emphasise that, comparative to South-East Asia, the current rate of growth in Africa is relatively small. South-East Asian countries such as China, Malaysia, Singapore and South Korea have reached their current levels of development after over 30 years

of consistent growth. The structure of their economies and the growth patterns are also different from the current experiences of Africa. The Asian growth was supported by a high level of industrialisation and job-inducing manufacturing sectors. In the particular case of Nigeria, the recent rebasing of the GDP has meant nothing to the majority of the population, who live on less than \$1 per day.²⁴

GOVERNANCE, GROWTH AND POVERTY IN NIGERIA

There is an intricate relationship between the governance structure, the rate and form of growth and the levels of poverty in Nigeria. From what started as a three-regional structure of North, West and East shortly before the end of colonialism, Nigeria is currently a federation that has a 36-state structure, a Federal Capital Territory, 774 local government areas and a central government. The country operates a bicameral legislature with a total number of 469 representatives in both lower and upper chambers. It is a rentier state whose existence is predicated on extraction and exploitation of both human and material resources, first by colonialists and later by indigenous political elites.²⁵ The country depends on oil for 95 per cent of its foreign exchange and 85 per cent of its exports. Revenue from oil is shared among the three tiers of government, with the federal government taking the lion's share (about 62 per cent). Although the country operates a federal system, the constitution bequeathed by the departing military both in 1979 and 1999 ensured a centralised system of administration, which continues to make fiscal federalism an issue of constant inter-governmental and inter-ethnic conflict in the country.

There has been a huge debate around the connection between governance (broadly interpreted as the capability of delivering the public good in an accountable and transparent manner), the lack of it, the cultural specificities of countries, and implications on economic development. The good governance agenda to which many African countries subscribed after the third wave of democracy is anchored in the rule of law, accountability, transparency and human rights.²⁶ This agenda is not unproblematic, as these are part of the web of 'must dos' for most African countries seeking debt relief, aid and other forms of technical assistance from the developed countries and the institutions they control, such as the World Bank and the IMF. For instance, Hurts²⁷ argues that most of the development assistance that the European Union gives to African countries is meant to further their ideological agenda of human rights and free trade. Khan²⁸ also

argues that the good governance agenda is market-enhancing rather than growth-enhancing. In other words, the donor community appears to be more interested in ensuring that countries comply with rules and practices that protect property rights, investors and their investments, rather than those that can bring about development to the generality of the people.

The abrogation of commitment to development-enhancing governance is evidenced in the culpability of many multinational corporations regarding various financial scandals involving bribes for contracts and tax evasion in developing countries. Examples of these financial infractions in Nigeria include the involvement of the Siemens Engineering Company and the Halliburton oil service company. It is instructive that while these companies were made to pay huge sums in fines and penalties by their home governments, nothing has happened to the people who were involved in the deals in Nigeria.

The lack of willingness and capacity of the Nigerian government to take action against these companies and the citizens who aided them feeds into the larger debate on governance capabilities and economic growth in Nigeria. From the work of Joseph,²⁹ one gets the impression that governance is compromised by state officials in order to meet personal and group needs, especially as groups feel insecure, deprived and excluded from the national patrimony if they don't have 'one of their own' in government.³⁰ Prebendalism feeds into patrimonialism, as people relate to and support state officials who steal public funds, as long as this guarantees their own share of the national cake.

The governance challenges facing Nigeria are reinforced by what Oyeyinka and Sampath³¹ see as weak or 'non-existent state capacities', 'low-level knowledge and poor skills for policy-making choices' and domestic structures and socio-economic forces that 'are powerful enough to induce socially suboptimal policy choices to retain the status quo'. These forces have continued to distort the process of social engineering, economic transformation and political stability in the country. In other words, even though the multinational companies contribute to increased GDP, their overall concern, as with their political counterparts, is with accumulation rather than inclusive development. That the multinational companies do escape with their subversion of extant laws on corporate governance is further testimony to the governance challenges that confront the country.

Joseph³² employs the studies of the Quality of Government Institute (QGI) at the University of Rothenberg in Sweden to further interrogate the governance challenges in Africa. According to Joseph, the QGI work shows how 'the African predicament of pervasive corruption and clientelistic and

patrimonial politics have yielded governments incapable of producing core public goods and services, much less achieving high standard sustained growth'.

Beyond the scourge of corruption, and its constraining influence on governance and development in Nigeria, is the loss of policy space for economic policy making. With the structural adjustment programme of the 1990s came the loss of policy autonomy in Nigeria.³³ This trend continues today with the overriding influence of the World Bank and the IMF on the economic policy of Nigeria, to the extent of them having designated offices in the Presidency under the guise of technical assistance. As the World Bank policy advice is unabashedly neoliberal and market-oriented, the overriding influence of this institution and the IMF determines to a great extent the ability of the government to formulate people-oriented policies. For instance, despite the various studies which show that the fuel subsidy is more or less the only benefit that the poor in Nigeria enjoy as citizens of an oil-rich economy, the World Bank and the IMF have consistently advised that this must be removed, as they argue, rather perversely, that the subsidy only benefits the rich.³⁴

The core argument of this section is that institutionalisation of corruption and rent seeking in Nigeria and other African countries have not only hindered the achievement of a sufficient rate of economic growth, but precludes the growth recorded from being translated into poverty reduction. Over-centralisation of power and bloated bureaucracy stifle initiatives for economic diversification, both at the national and sub-national levels, with the exception being Lagos State in the southwest part of Nigeria, where internally-generated revenue constitutes a sizable proportion of income. Thus, the celebration of high GDP growth is not only premature, but misdirected. Apart from the fact that the rate of growth has been too low to foster any meaningful and sustained economic development, the limitation of this measure of economic performance is contained in the logic of the market that informs its calculation. The exclusion of non-formal or non-economic activities, such as those relating to the environment, from the calculation of GDP has implications for the future of countries, especially the developing ones.

From 1999 to 2015, when the People's Democratic Party was in government at the federal level, various intervention programmes were formulated to reduce poverty. One of them was the Poverty Alleviation Programme which commenced in 2000. Under this programme, the government set aside the sum of N10 billion for the creation of 200 000 jobs. Targeted at the unemployed, this programme paid participants a stipend of N3 500 to engage in labour-intensive activities, such as unblocking and cleaning of

drainages, sweeping of roads, filling and sealing of cracks and potholes, installation and restoration of road signs, rehabilitation and maintenance of public buildings such as markets and hospitals, and so on.

Even though a few individuals derived benefits from the programme, it did not lead to a significant reduction in poverty as it was marred by corruption, nepotism and lack of transparency.³⁵ The failure of the programme was also a reflection of the nature of politics and policy making in Nigeria, where end users of policies are neither consulted nor incorporated before policies are made. The failure also reflects the pervasiveness of corruption, as bureaucrats and politicians used the programme as an opportunity for further primitive accumulation or for dispensing of patronage.

Rather than investing such huge amounts of money in building the knowledge and capacity of the targeted beneficiaries through acquisition of new skills, state governments in the northern part of Nigeria bought tricycles and motorcycles for many of the unemployed youths. The political elites see these gestures and tokens as huge political capital which they can leverage to secure votes during elections. While such gestures can address the aspect of economic deprivation, as the beneficiaries derive daily income, they fall short of other dimensions of poverty reduction, such as building human capability, access to justice and political rights. Despite the various poverty reduction programmes in the country, and the remarkable growth in the economy over the years, the data in Table 8.2 show that, rather than abating, poverty has been increasing steadily. According to the National Bureau of Statistics, the major component used in the computation of the relative poverty measurement is household expenditure.

Table 8.2 Relative poverty headcount in Nigeria, 1980–2010

Year	Poverty Incidence (Million)	Estimated Population (Million)	Population in Poverty (Million)
1980	27.2	65	17.1
1985	46.3	75	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1
2004	54.4	126.3	68.7
2010	69.0	163	112.47

Source: National Bureau of Statistics, HNLSS 2010

Table 8.2 shows that there has been a progressive increase in the incidence of poverty in the country from 1980, when it was just 27.2 per cent, to 2010, when it reached 69 per cent. According to the National Bureau of Statistics, the number of Nigerians living in absolute poverty in 2010 was 112.47 million, or 69 per cent of the population of the country. Also, the Director-General of the National Bureau of Statistics, Dr Yemi Kale, was reported as saying that '(I)n 2004, Nigeria's relative poverty measurement stood at 54.4 per cent but increased to 69 per cent or 112.518 million in 2010'. The unemployment rate in the country is currently at 24 per cent. This is even more prevalent among the youth.³⁶ According to statistics from World Development Indicators, the corresponding GDP growth rates for this period are: 1980: 4.2 per cent; 1985: 8.3 per cent; 1992: 0.4 per cent; 1996: 5.0 per cent; 2004: 33.7 per cent (due to a boost in mobile telecommunications and a boom in the general services industry); and 2010: 7.8 per cent.

In line with the tradition of the IMF to take economic growth as the measure of the health of a country's economy, this organisation and the World Bank have consistently rated Nigeria as one of the fastest growing economies in the world.³⁷ However, despite the impressive growth in GDP over this period, which of course informed the classification of Nigeria as a middle income country (MIC), the reality on the ground suggests that poverty has indeed increased in the country. This scenario becomes more problematic when one considers that, with the exception of a few states in the southwest part of the country, there is no form of social security for the unemployed and the vulnerable segments of the population. In recent times, payment of salaries has become difficult for most of the state governments. Lack of funds has also resulted in a situation where pensioners could not even access their pensions on a regular basis.

The Goodluck Jonathan administration hinged the direction of his government on what he called a 'Transformation Agenda'. Despite its avowed commitment to job creation through the Transformation Agenda, other challenges – such as a lack of functional infrastructure, like adequate power supplies or a good transportation network, and the provision of cheap funds – have made it difficult for industries to thrive. Over the same period, capacity industrialisation for industries dwindled further, as manufacturers found it difficult to cope with the challenging operating environments. Also, even though the federal government introduced huge financial intervention programmes in the textile, cotton, garment, Nollywood (entertainment group), cocoa, banking and other sectors as a means of creating jobs, the rate of unemployment remains high, resulting in security risks, already manifesting in part in the form of the Boko Haram insurgency.

CONCLUSION

This chapter has examined the fetishism of the GDP, the economic logic that informs its use as a measure of economic activity, as well as its limitations. I argue that the dysfunctional governance structure of Nigeria, prebendalism and patrimonialism have hindered the delivery of the public good to the ordinary people, who continue to suffer acute poverty. It was also emphasised that the various reform programmes in Nigeria were informed by the logic of the market, which has ensured that only a tiny proportion of the population derive a benefit from the reforms, thus worsening poverty and inequality. The fact that the reforms were not particularly focused on job creation also limited their utility to transformation of the Nigerian society.

Even though the country recorded a relatively high rate of economic growth – measured in terms of GDP – compared to countries in similar conditions, the rate was neither high nor sustained enough to foster inclusive development. Fundamental, though, is the fact that GDP excludes other forms of economic activities, as it is focused on economic activities that only benefit a tiny fraction of the population. The class dimension of its focus on accumulation reinforces prebendalism and patrimonialism. These affect the quality of governance and undermine the capacity of the state for the delivery of public goods to the majority of the citizens. In view of the above findings, the following recommendations are hereby offered to ensure higher growth, enhance redistribution of income and foster inclusive development in the country.

There should be less emphasis on the use of GDP as a measurement of economic activity. As pointed out above, GDP does not incorporate the activities of non-formal sectors, such as housekeeping, and environmental and natural resources sustainability. In developing economies, like that of Nigeria, informal or shadow economies constitute a veritable source of job creation. This sector needs support from the state in the form of access to finance, infrastructure, and training on bookkeeping and building a customer base.

As the various financial crises have shown, the idea of a self-regulating market is a utopia.³⁸ Consequently, the various reforms that have brought about the current growth in Nigeria should be re-directed to incorporate job creation as part of the core components. This will require training and retraining of workers to ensure that they can adapt to the changes in the global economy. Rather than leaving economic policy to the vagaries of the market, deliberate intervention by the state is necessary to foster distribution of the public good and ensure that companies comply with extant laws.

The governance structure of Nigeria needs fundamental alteration. The current structure of 36 states and 774 local governments is too expensive and wasteful. I therefore recommend a return to the regional arrangement that the country adopted immediately after gaining political independence in 1960. These regions competed favourably and performed well. The restructuring of the Nigerian federation will also necessitate resource control by the regional governments. Control of the resources found in every region could lead to decentralisation of power at the centre and a reduction in the abuse of office that goes with it. Although sub-national governance is not immune from corruption, concentrating more power at this level of governance can ensure that the people exert increased pressure on the government to be more accountable.

Apart from the structural dimension of governance, the need to combat corruption in the country is pertinent. The various anti-corruption institutions, such as the Economic and Financial Crimes Commission, must be strengthened. The current reforms going on in the judicial sector must be thorough and carried through, to ensure that cases of economic crimes are adjudicated and dispensed with on time.

The democratic process in the country must be strengthened so that only competent people who are interested in serving are elected into offices. The current process is too monetised and compromised. The need to build the capacity of the public sector, especially the bureaucracy, is critical. As Ekpo³⁹ argues, while the 'private sector may remain the engine of growth, sustained economic development must be guided by a qualitative public sector consisting of qualitative leadership, and skilled technocrats and bureaucrats'.

It is also pertinent that the structure of production must be transformed from agriculture to manufacturing and then to services. In over 50 years of exporting primary products or unprocessed crude oil, experiences have shown that this cannot take Nigeria anywhere. Consequently, efforts should be made to transform the structure of the economy through diversification. The abundance of gas and oil presents Nigeria with a unique opportunity to build a hydrocarbon industry. The development of value-adding industries has the potential of creating employment and improving the standard of living for the majority of the population.

There is a need to invest more in education, health and infrastructure. These are important to build a work force and human capital in the country. Besides, building competitiveness and boosting innovative capacity at the various levels of government, as well as the private sector, are central to achieving long-term growth and inclusive development. This will further

require investment in research and development, training and transferable skills.

Lastly, inclusive development is of critical importance in order to ensure social cohesion, political stability and long-term planning. The current agitation by the various ethnic groups for the restructuring of Nigeria is partly caused by a high sense of marginalisation and exclusion.

NOTES AND REFERENCES

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- 2 Ngozi Okonjo-Iweala, Minister of Finance from 2003–2006, Head of the Economic Management Team under President Olusegun Obasanjo and Coordinating Minister of the Economy/Minister of Finance under President Goodluck Jonathan, gave an insider account of the difficulties that she encountered in her effort to plug various holes through which government money is syphoned. Okonjo-Iweala, N., 2012. *Reforming the unreformable: Lessons from Nigeria*. Cambridge: MIT Press.
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- 4 The National Economic Development Strategy was also aimed at reducing the dependence of the country's economy on the oil sector and increasing the ratio of manufacturing and agriculture to the GDP. National Development Planning Commission, 2004. *National Economic Empowerment Development Strategy (NEEDS)*. Abuja: National Development Planning Commission.
- 5 African Development Bank, 2013. Available at: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Report_of_Proceeding_-_High_Level_Policy_Dialogue_-_Nigeria.pdf [Accessed 16 October 2017], p.12. It is important to emphasise that this is not the first time that such goals will be set, as they have been part of the National Development Plans since 1962. While economic growth might have been impressive, the rate of growth is not sufficient and is largely driven by commodity exports, which makes it volatile and generally unsustainable.

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Inclusive Development in South Africa

Rethinking socio-economic policies and state-capital relations

Vusi Gumedde

INTRODUCTION

This chapter reflects on what I think the fundamental ‘development question’ is for South Africa, and for Africa more broadly to some extent. At the very outset, let me briefly explain what I mean by the term ‘development’, especially because this chapter distils from numerous detailed analyses of development in post-apartheid South Africa that I have undertaken. The conception of development that this chapter adopts is that development involves socio-economic progress or improvements in the well-being of people. Improvements in well-being are normally quantified through the human development index (HDI), which measures human development as a composite indicator made up of life expectancy, literacy and per capita income.

Another way of thinking about development is that countries go through different stages of development, from low to higher development levels. It is generally understood that development must involve the people that need it – the people should be able to guide the development process and also have choices for their livelihoods (as Amartya Sen¹ or Claude Ake² would put it). For South Africa, the debate about development must also, if not primarily, deal with social and economic inclusion. Viewed from this perspective (i.e. social and economic inclusion), inclusive development has been slow/low in post-apartheid South Africa. Put differently, there is still a long way to go towards inclusive development in post-apartheid South Africa.

The next section provides a brief background with regard to what has informed and shaped development initiatives pursued in South Africa since 1994. That is followed by a broad review of the performance of the economy and society since political independence. A theoretical and/or conceptual treatment of the development challenges facing post-apartheid South Africa is discussed, followed by concluding remarks. The central argument that this chapter makes is that socio-economic inclusion has been weak so far in post-apartheid South Africa, hence the use of the term ‘post-colonial’ in characterising post-independence South Africa.

BACKGROUND

There are many standpoints, theories and ideas (of the national liberation movement) that have informed policies of post-apartheid South Africa. Among the many perspectives, the main ones include, or are captured in the 1943 Bill of Rights in the *Africans' Claims*, the 1955 *Freedom Charter*, the 1962 *Road to South African Freedom*, the 1992 *Ready to Govern*, the 1994 *Reconstruction and Development Programme*, the 1998 *State, Property and Social Transformation*, and the 1996 *Constitution*.

The *Ready to Govern* (R2G) discussion document is probably the most important perspective among those mentioned. I argue that if South Africa were able to stick to the perspective presented in R2G and its analysis, the country would probably be having better social and economic outcomes by now. The clarity of thought encapsulated in R2G implies that the society envisaged by the liberation movement could have been accomplished within the two decades of post-political independence – or, to a large extent, there could have been successes if R2G principles and policy propositions had been followed.

Another important, indeed more fundamental point is that there appears to have been – or there is a case to be made that there could have been – a change/shift in the thinking of the liberation movement at some point from the 1940s to the mid-1950s. The shift, at least in emphasis, can be discerned in the Bill of Rights in the *Africans' Claims*, relative to the *Freedom Charter*. The *Africans' Claims* understood the fundamental challenge confronting South Africa to be essentially that Africans were excluded, oppressed, brutalised and criminalised. In addition, the *Africans' Claims* opined that the resolution of the South African conundrum could only happen if and when Africans got their stolen land back and their stolen wealth returned. The *Freedom Charter*, besides being vague and not as detailed as the *Africans' Claims*, appears preoccupied with non- and multi-racialism, when the fundamental development question should be about Africans.

From an economic point of view, there are many macroeconomic policies or political economy interventions that have been pursued since 1994. Among the recent policies and political economy interventions, barring the 2013 *National Development Plan* (NDP) – because it is not a policy document and it is still unclear what it really is – the 2010 *New Growth Path* (NGP) has many shortcomings and sets wild targets, and its preoccupation with public infrastructure leaves a lot to be desired. The NGP sees its, or the government's, proposed public infrastructure programme as a panacea to South Africa's socio-economic woes. Public infrastructure programmes are

expensive and do not address the structural challenges the economy faces. A clear and comprehensive industrial policy, coupled with supportive labour market and fiscal policies, is better placed to deal with the underlying challenges confronting the South African economy.

The fundamental issue, from an economic or political economy point of view, regarding the economic performance of the post-apartheid economy largely has to do with inappropriate policies and inappropriately sequenced reforms. The NGP, for instance, besides being a weak policy framework, came very late, when the economy was already starting to decline. Arguably, the 2006 Growth, Employment and Redistribution (GEAR) Framework was a macroeconomic stabilisation programme, akin to a structural adjustment programme, that needed to stabilise economic fundamentals in order to prepare the economy for expansion and inclusive economic development. The 2005 Accelerated and Shared Growth Initiative for South Africa (AsgiSA), in a sense, could be said to have been about sharing the growth through inclusive development – but it also came late, given that the economy had stabilised already by the early 2000s.

Another set of perspectives that have influenced development initiatives or have shaped development itself in South Africa since 1994 include: the Colonialism of a Special Type (CST) thesis, the National Democratic Revolution (NDR) and the Convention for a Democratic South Africa (Codesa). The following questions remain unanswered: was the NDR a correct theoretical basis for the liberation project? Similarly, was the CST an accurate conceptualisation of the colonialism and imperialism that South Africa was experiencing in the 1950s/1960s? And, lastly, should the Bill of Rights in the *Africans' Claims*, or the *Freedom Charter*, the Constitution, or some other theoretical framework form the basis of post-apartheid South Africa going forward?

Norma and Yves Chaloult³ and Peter Hudson,⁴ among others, argued that the CST thesis was not an appropriate characterisation of South Africa even in the 1950s/1960s. In addition, Nicholas Visser⁵ argued that the CST thesis would easily impress any person with little knowledge about South Africa because it obscures, rather than explaining, the South African conundrum – it could be argued that the South African situation was simply colonialism without trivialisation through the CST argument. Perhaps an even better or more accurate characterisation is simply that South Africa was a settler colony.

As regards the National Democratic Revolution, Gillian Hart⁶ is not alone in concluding that 'the NDR shows no signs of giving way to socialism, as some of its proponents had confidently predicted'. Codesa, on the

other hand, largely left white privilege – not white domination per se – unchanged.⁷ It is probably important to highlight that one of the lasting legacies of the Codesa meetings was that an interim South African constitution was drafted which would later become the Republic of South Africa's 1996 Constitution.

All in all, as Maboge More⁸ would put it, there has not been decolonisation in South Africa because 'decolonisation entails the re-appropriation and return of national territory (country) to its original indigenous people and freedom from oppressive regime'. Critically, the land remains in the hands of the minority. Also, there are psychosocial issues that remain unresolved, as evidenced, for example, by sporadic attacks on so-called foreign nationals. The predominantly racial inequality that still characterises South Africa also bears testimony to the fact that development has still a very long way to go. I say more about this in the next section.

SOUTH AFRICA SINCE POLITICAL INDEPENDENCE

Post-apartheid South Africa has generally performed below par, in the economic sphere in particular, notwithstanding that the size of the economy has grown substantially since 1994.⁹ The economy had stabilised from the early 2000s, but South Africa's economic performance has been pedestrian relative to many comparable economies. For example, Botswana has grown significantly since the year 2000 or so. Brazil and India have performed significantly better than South Africa, and so has Malaysia. South Africa's gross domestic product (GDP) growth rates, from 1994 to the latest years for which data is readily available, are lower than those of India, Botswana, Malaysia and Brazil, not to mention China.

Table 9.1 supports the view that the South African economy has performed poorly compared to its peers. The choice of years is deliberate, so as to exclude the Asian financial crisis of the late 1990s and the ongoing global economic crisis which started in 2008 (whose effects began to be felt in 2009, as Table 9.1 shows) – the immediate post-recession period in the global economy makes it difficult to make sound comparisons in economic performances of the various countries, because the pace of recovery has significantly varied. That said, many countries, just like the global average and GDP performance of the various regions, were returning to growth levels before the global economic crisis – and many countries still remained in recession, including the South African economy, at the time of finalising this chapter.

Table 9.1 Gross domestic product, South Africa and other countries (2000–2010)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SA	4.2	2.7	3.7	2.9	4.6	5.3	5.6	5.5	3.6	-1.5	2.9
Botswana	5.9	3.5	9.0	6.3	6.1	1.6	4.5	4.8	2.9	-4.9	7.2
Brazil	4.3	1.3	2.7	1.1	5.7	3.2	4.0	6.1	5.2	-0.6	7.5
India	4.0	5.2	3.8	8.4	8.3	9.3	9.3	9.8	4.9	9.1	9.7
Malaysia	8.9	0.5	5.4	5.8	6.8	5.3	5.8	6.5	4.7	-1.7	7.2

Source: Gumede (2015a)

Barring 2009, South Africa's GDP is consistently below comparable economies such as Botswana, Brazil, India and Malaysia as Table 9.1 shows. As indicated earlier, economic development in South Africa is constrained by inappropriate policy, or lack thereof. This suggests that policy reforms were not well sequenced, or at some point – from around 2006 to 2008 to date – there has not been robust policy formulation in South Africa. Policy failure does not only mean a lack of policy or lack of clarity on a policy issue. It also means that a 'wrong' policy was implemented. A policy is 'wrong' if it is not contextually sensitive.

Socio-economic development policies in South Africa have been contextualised around the desire to become a 'developmental state'. To be clear, the policies that South Africa has pursued since 1994, and especially from 2005, have been focusing on ensuring that South Africa becomes a developmental state. A developmental state is 'a state that is active in pursuing its agenda, working with social partners, and has the capacity and is appropriately organised for its predetermined developmental objectives'.¹⁰ A democratic developmental state, on the other hand, can be viewed as a state that pursues higher levels of socio-economic development in a participatory manner, guided by a robust long-term plan. This means that the state has the requisite capacity, the elite is developmental in its approach influenced by a developmental ideology, and the state is appropriately organised for predetermined goals.

In principle, South Africa declaring its ambition to become a (democratic) developmental state is a unique and noble initiative. It is unique because I am not aware of any other government that has ever consciously set out to become a developmental state; and it is noble because such a project can only be achieved through reasonable levels of equality, redistributive

growth and social equality, drawing inspiration from the experiences of countries that have achieved growth and equality. This, therefore, gives a clear sense of the kind of post-apartheid South Africa envisaged by the liberation project.

Arguably, since the dawn of democracy, significant amounts of effort by the state and other sectors in South African society have gone into devising policies and programmes that seek to bring to life these noble ideals. A developmental state often reinforces its human capacity and invests in social policies and programmes. In essence, a developmental state must prioritise human capacity and social welfare as the means of ensuring that development takes place, and that it is sustained. Given the development challenges confronting South Africa, the country is not yet a fully-fledged developmental state – in fact, South Africa seems to be drifting further away from becoming one.

Another important indicator of development, as pointed out earlier, is a country's level of human development. Here, again, South Africa has performed badly. For instance, as Table 9.2 shows, human development in South Africa has not improved much since political independence.

Table 9.2 Human development index in South Africa and selected countries

	2000	2005	2010	2011	2012	2013	2014	2015
South Africa	0.616	0.599	0.615	0.619	0.644	0.651	0.661	0.665
India	0.461	0.504	0.542	0.547	0.599	0.607	0.615	0.624
Brazil	0.665	0.692	0.715	0.718	0.734	0.747	0.754	0.754
Botswana	0.585	0.601	0.631	0.633	0.693	0.697	0.697	0.698
Malaysia	0.705	0.738	0.758	0.761	0.779	0.783	0.787	0.789

Source: 2016 Human Development Report

The level of human development in South Africa has not significantly improved from about 2000 on. There is another way of looking at this: to consider the various components of human development (i.e. education, healthcare, measure of standard of living and so on). Life expectancy has declined from about 1990 to 2005. The gross national income per capita has also not really changed much, from 2010 in particular to the latest year for which data is available that was available at the time of finishing this chapter. In a comparative context, India is catching up with South Africa,

Botswana has overtaken South Africa while Brazil remains ahead of South Africa, and Malaysia is ahead of all the countries captured in Table 9.2.

Another insightful reality relates to average schooling in South Africa. The 2013 Human Development Report indicated that South Africans, on average, school five years less than expected, as Table 9.3 shows.

Table 9.3 Human development in South Africa (1980–2012)

	Life expectancy	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI
1980	56.9	11.1	4.8	8,399	0.57
1985	59.8	11.1	4.8	7,892	0.581
1990	61.5	11.4	6.5	7,671	0.621
1995	59.9	13.1	8.2	7,350	0.65
2000	54.8	13.1	8.2	7,462	0.622
2005	51.1	13.1	8.2	8,420	0.604
2010	52.2	13.1	8.5	9,307	0.621
2011	52.8	13.1	8.5	9,463	0.625
2012	53.4	13.1	8.5	9,594	0.629

Source: 2013 Human Development Report

Between 1995 and 2012, according to the 2013 Human Development Report, the expected years of schooling in South Africa were 13.1 years. The mean years of schooling have remained 8.5 years between 2010 and 2012. Indeed it seems as though the society is standing still, from a socio-economic transformation point of view. In the 2016 Human Development Report, the expected and mean years of schooling, however, seem to have improved. For 2015, according to the report, expected years of schooling for females were 13.6 and 12.5 for males, while the mean years of schooling were 10.2 for females and 10.5 for males. Interestingly, however, the HDI for males is higher than for females for 2015, actually implying an improvement of the overall HDI for South Africa, according to 2016 Human Development Report: 0.651 for females and 0.677 for males.

South Africa's public healthcare system is another issue worth touching upon, given the challenges that continue to bedevil it. There is a view that South Africa's public healthcare sector is stretched and under-resourced.

Government contributes about 40 per cent of all expenditure on health, but the country's public health sector remains under pressure to deliver services to about 80 per cent of the population. The private sector, on the other hand, caters to middle- and high-income earners, who tend to be members of medical aid schemes. Consequently, South Africa has a two-tiered health-care system that is inequitable and inaccessible to a large proportion of South Africans, with institutions in the public sector having suffered poor management, underfunding and deteriorating infrastructure.¹¹ It is disturbing that South Africa is ranked third highest in the world for tuberculosis (TB) infections. HIV and Aids and TB infection rates vary across age, race, gender, socio-economic status and geographical location, but they predominantly affect black Africans.¹²

Moreover, there is an issue of income inequality and poverty. It is generally accepted that poverty remains very high in South Africa, and there is a view that it may be increasing particularly as the South African economy deteriorates further.¹³ When looking at the Gini-Coefficient, a commonly used measure of income inequality, either from the expenditure side or from the income side, the trend is similar. Contrary to what many people say, it is not true that income inequality in the African population group has been the main driver of income inequality in post-apartheid South Africa. In fact, the cohort that is driving high income inequality in South Africa is the white population group.¹⁴

The increase in income inequality within the white population group makes sense because of the privileged economic status of the white population in South Africa. This group of people already enjoys benefits from investments which ensure whites become better off overtime. This is taking place in the context of high unemployment rates that affect Africans, which hampers the ability to alter their socio-economic circumstances. Numerous Africans are unemployed relative to whites, Indians and Coloureds. It is the African population that mostly bears the brunt of hardship disproportionately compared with other population groups in South Africa. It should be acknowledged, though, that the income inequality within the African population group had increased in the 1990s to mid-2000s, as some Africans were getting well-paying jobs while many remained unemployed. However, from the mid to late 2000s, income inequality within the African population group has remained effectively unchanged, while that of the white population has increased.

As indicated above, poverty in South Africa remains very high – at least 40 per cent of South Africans still live below the poverty line. The challenge of poverty in South Africa is multidimensional, as it is in most parts of the

developing world. In the main, though, poverty in South Africa is structural – it is the structure of the economy that perpetuates poverty through its capital intensity, mineral-energy-complex character, and high-skill demand in the labour market.¹⁵ South Africa's economic growth over the years derives from capital-intensive sectors, and very few jobs have been added to the labour market. There is also a widely held view that a mismatch exists between the kinds of job opportunities available in the economy and the skills of most jobseekers. Thwala,¹⁶ for example, argues that the South African economy has not been creating sufficient jobs for the unskilled and semi-skilled labourers who are concentrated mostly in the townships and rural areas. Thus, in the context of continued weaknesses in South Africa's education and training system, there has been limited success in efforts to absorb a significant portion of the unemployed population.¹⁷

In addition to income inequality and poverty, race remains a persistent fault line in South Africa's unemployment trends. The unemployment rate, using the narrow definition, has remained above 25 per cent in South Africa since 2010. The continuing decline in the labour force participation rate is indicative of an increase in the number of discouraged job-seekers. Also, the South African youth remain disproportionately affected by unemployment, compared to the adult population; and so are females relative to males.

South Africa is further faced with complexities relating to an uneven labour market environment; the changing nature of work; lack of labour market measurement instruments; and serving a multi-class of service beneficiaries: vulnerable workers and unemployed/jobseekers. The fragmented nature of South Africa's labour market, increasing informality, 'casualisation' and externalisation of the labour market have undoubtedly worsened the job crisis and affected the economic status of the ordinary working class. It is in this context that some have argued that South Africa needs labour market reforms and a clear labour market policy.¹⁸ In the meantime, initiatives such as labour market incentive schemes, which are overdue, should be expedited so as to ameliorate the youth unemployment challenge in particular. The purported labour market reforms and a clear labour market policy should prioritise job creation for the black African population in particular. In the main, however, the fundamental issue has to do with restructuring the South African economy.

WHY SLOW PROGRESS?

South Africa's democracy coincided with the rise of the hegemony of global capitalism in the closing years of the twentieth century. The country's insertion into the 'global matrix of power'¹⁹ under the hegemony of global capitalism thus limited its capacity to foster inclusive development. As a result, South Africa has many of the features of a post-colonial state. The country has gone through various tragic experiences of 'plunder, exploitation and enclave or bifurcated development',²⁰ and the post-colonial/post-apartheid moment is a variation on that trend. Even though the economy has undergone some restructuring with the transition to democracy, there has been no significant change, since the economy is still subject to the control, manipulation and exploitation of the global capitalist system.²¹

The corporate sector in South Africa has aligned itself with global capitalist power brokers to exert pressure on the State to relinquish its control over economic policy. The acquiescence of the African National Congress (ANC) to such pressures came to many as a surprise.²² However, it is said that it was largely borne out of a fear that the country could lose credibility with potential investors, thereby affecting its credit ratings. Indeed, the corporate sector, in alliance with international financial institutions and neoliberal governments in the United States (US) and Britain, controls the movement of capital and therefore can wreak havoc on a country within a short period of time. It is widely accepted, for instance, that the Asian financial crisis of 1997/1998 was worsened by the sudden withdrawal of speculative investments by Western-based investors in countries such as Thailand, Hong Kong and Indonesia.²³

Despite the staggering failure of neoliberal policies,²⁴ the hegemonic control of the global capitalist system looms large over the post-apartheid neocolonial South African state. According to Seraaj Mohamed, notwithstanding the glaring and potentially dangerous level of poverty and inequality, 'the State has become hesitant about implementing progressive economic policies that could address unemployment and poverty for fear that these policies would drive down share prices and create a negative view of South African policies in international financial markets and business media'.²⁵

In Gillian Hart's estimation, 'neoliberalism, understood as a class project and manifestation of global economic forces, as well as rationality of rule, has become the dominant frame for many critical understandings of post-apartheid South Africa'.²⁶ Although Hart says that such framing is inadequate to an understanding of the conundrum that currently characterises the development project in South Africa, I argue that the framing

has disproportionately shaped the country's political economy. The latitude that the ANC government gave the corporate sector to define the terms of reconnection with the global economy worsened the social and economic problems in South Africa. In short, the powerlessness of the state in getting the corporate sector to serve the interests of the society is a testimony to the hegemonic control of global capital over the state, not only in South Africa but across Africa as a whole.

Obtaining hegemonic control manifests in the interference of the agents of what William Robinson calls the transnational capitalist class in policy-making, in knowledge production and in consumption patterns.²⁷ Susan Strange talks of the internationalisation of production networks as an inevitable outcome of global capitalism, in which corporations seek cheap labour, higher returns on investments and a freer regime of trade, investment and capital.²⁸

The fact that the World Bank and the International Monetary Fund (IMF) continue to carry out the diagnosis of socio-economic problems in Africa also deserves further elaboration. The World Bank and the IMF have both acknowledged that the structural adjustment programmes imposed upon Africa in the 1980s were wrong-footed.²⁹ The IMF has also recently shifted ground with respect to its fixation on the sanctity of capital account liberalisation and the general neoliberal dogma that has plunged the world economy into an ongoing crisis since 2008.³⁰

In what Sabelo Ndlovu-Gatsheni calls the 'myths of decolonisation and illusions of freedom', post-apartheid South African leaders have not been able to escape the tyranny of the 'global matrix of power', in terms of leverage to adopt home-grown development strategies that will help to correct many years of injustices on the issues of economic opportunity and land redistribution, and to improve the living conditions of the majority of South Africans.³¹ Although South African leaders are acutely aware of the need to take bold steps to correct these anomalies, and have in fact tried through various initiatives, these have not translated into true freedom for the majority of South Africans.

According to Ndlovu-Gatsheni, 'the post-1994 South African situation speaks volumes about how the liberation movement was disciplined into an emancipatory force that finally celebrated the achievement of liberal democracy instead of decolonisation and freedom'.³² The liberal democracy, or democracy of the market, as Claude Ake would put it, that South Africa embraced is not the type of democracy that can bring about development of the people.³³ It is a democracy whose leitmotif is the protection of the property of the bourgeoisie and monopoly of finance capital. For as long as

liberal democracy is based on the logic of the market and individualism,³⁴ concerns about income redistribution and empowerment of the masses will remain secondary to in-fighting and competition over resources among the political elite. These contradictions have played out in the various fights, broken alliances, policy somersaults and ideological convolutions within the ruling ANC during the first two decades of democracy in South Africa.

In closing this brief historical and theoretical overview, it is important to emphasise that the road to true freedom in South Africa – and Africa in general – is through self-awareness of the subservient position that the continent occupies in the ‘global matrix of power’, through a strong aspiration to break loose from this chain, through the acquisition of relevant endogenous knowledge, and through a commitment to fundamentally alter the socio-economic and political structures that make the perpetual exploitation and domination of Africa possible. Such fundamental changes will not come easy. They will be fiercely resisted by domestic and foreign capital and their cronies in the corporate sector and inside the state. By extension, the journey to true liberation for the whole of the African continent is going to be a painful one.

SOUTH AFRICA’S DEVELOPMENT CHALLENGE

Many people have argued that part of the challenge South Africa faces has to do with our transition from apartheid to a post-apartheid society, or to a democratic society – Patrick Bond, Hein Marais and Sampie Terreblanche talk of the *elite transition*. The people who have written about South Africa’s political transition make their case well – even though some readers may disagree with them – in arguing that the post-apartheid development experience has to be understood within the context of our transition from apartheid to post-apartheid society or to a democratic society. In other words, many compromises were made that do not allow society to move forward faster.

Roger Southall,³⁵ for instance, has characterised South Africa’s transition as a ‘reform bargain’, drawing from Scott Taylor’s ‘reform coalition’. Southall³⁶ explains the reform bargain as a ‘mechanism that facilitated South Africa’s success which was underpinned by the new government’s commitment to providing the opportunities for large-scale business to internationalise’. Again, a particular compromise was reached. And on the more radical side, as indicated earlier, John Saul³⁷ argues that nothing much has really changed in South Africa because the economy is still subject to the control, manipulation and so forth of the global capitalist system. There

are other scholars who argue that South Africa needs a new political settlement, something along the lines of a social contract.³⁸

More broadly in the context of the African continent as a whole, many scholars have considered the socio-economic transformation of the continent and made a point that the challenge that the developing world and Africa, in particular, face has to do with the 'development merchant system'. Adebayo Adedeji,³⁹ in a powerful speech he gave at a conference in 2002, argued that

'the implementation of exogenous agenda has, perforce, been pursued because of the operation of the development merchant system under which foreign-crafted economic reform policies have been turned into a new kind of special goods which are largely and quickly financed by the operators of the development merchant system, regardless of the negative impact such policies have on the African economies and polities'.

Taking what Adedeji and other like-minded scholars say, the development merchant system ensures a deliberate design by the global capitalist order to perpetuate a socio-economic and political system that advances the interests of the West and maintains the peripheralisation of the African continent. As indicated earlier, some of our colleagues at the University of South Africa, for instance Sabelo Ndlovu-Gatsheni, characterise the development merchant system, broadly or differently, as an aspect of the 'colonial matrix of power'. In his 2012 inaugural professorial lecture,⁴⁰ Ndlovu-Gatsheni argued that 'African political economies have remained hostage to invisible colonial matrices of power'. So it is not by chance that the African continent remains at the bottom, and every time it comes up with an alternative development programme (such as the Lagos Plan of Action, the Abuja Treaty, the African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation, the New Partnership for Africa's Development, etc.), there is some interference that slows down progress. Many others have made this or similar points.⁴¹ I think we need to think about it from a theoretical perspective, particularly whether this also applies in our context in South Africa.

Lastly, as argued elsewhere, part of the development challenge confronting South Africa relates to the relations between the private sector and the government. The government appears to be captured by the private sector, and the state-capital relations favour profits over people (as Noam Chomsky would put it). It is in this context that political inequality and political patronage have caused a rift between the political leadership and the people in general. The many public protests and confrontations between

police officers and the people are symptomatic of the challenge epitomised by skewed state-capital relations. Inclusive development has given way to personal enrichment by those closer to political power or in political office. We are dealing with a case of 'incomplete liberation', as some have put it, or 'incomplete transformation', as Sampie Terreblanche⁴² names it. Lawrence Hamilton⁴³ comments that South Africa is a case of 'revolution still pending', while Adam Habib⁴⁴ concludes that it is a case of 'suspended revolution'.

CONCLUSION

The broad point that this chapter makes is that post-apartheid South Africa has performed poorly – if not below expectations – with regard to development, and that inclusive development in particular remains elusive. The main argument is that, besides constraints imposed by the global neo-imperial order, inappropriate policies and poorly sequenced reforms have limited the pace of development since 1994. This is a consequence of state-capital relations that are fundamentally in favour of the private sector at the expense of the people or development. It is in this context that South Africa could be viewed as a post-colonial neocolonial corporatist state. To change this characterisation, South Africa needs to reconfigure the state-capital relations.

Broadly, countries at minimum need appropriate policies and should sequence reforms accordingly. It could be argued that, in some instances, South Africa has done relatively well in policy making: GEAR, for instance, was a macroeconomic stabilisation intervention in which the immediate and obtaining context at the time was perhaps dictated by the post-Cold War dispensation. I am not discussing the merits, or lack thereof, of GEAR. I am simply saying that it could be argued that GEAR was attending to a pertinent context at the time. Once the economy stabilised, a different economic policy or political intervention should have been pursued. Before AsgiSA, arguably, there was a gap in economic policy. After AsgiSA, I contend, there has not been a comprehensive economic policy. As indicated earlier, the NGP and the NDP are not policies. Perhaps they are broad political economy interventions. What comes closer to being an economic policy is the Industrial Policy Action Plan, but it is mainly about the industrialisation of the South African economy, not a comprehensive policy for the economy as a whole. As for the NDP, the key issue is that it should be accompanied by a comprehensive developmental agenda.

I take it for granted that it is generally agreed that implementation is critical. With regard to policy, I argue that the hard choices that need or needed to be made have not been made. This chapter also makes a point – a theoretical issue that still needs further elaboration – that the post-apartheid South African economy appears to be a compromise between the African majority rule and the white minority, who hold greater economic power, while during the elite transition or elite compromise the private sector was given a *tabula rasa* to operate as it deemed fit.

Over and above reconfiguring the obtaining state-capital relations, a new vision for South Africa's political economy is overdue: the NDP could have been more about a new vision for the economy than a long list of issues, priorities and debatable targets. The historical experience of apartheid colonialism and its ramifications should be informing the policies that the post-apartheid South Africa pursues, in order that the country could ultimately become the 'nation' that many sacrificed their lives for. Essentially, South Africa needs a robust plan for its future, in the context of the future of the African continent.

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The G77 and the Transformation of Global Relations

Challenges and opportunities

Serges Djoyou Kamga

INTRODUCTION

The global order which followed the end of World War II has been broadly characterised by poverty, inequality, the domination of the global north over the global south, and global injustice.¹ Among various initiatives to solve the problem, the Group of 77 nations (G77) emerged as one of the most significant agents for the transformation of the international political economy to ensure a better life in developing countries.² The G77 is the largest inter-governmental organisation of developing countries in the United Nations (UN). It was set up on 15 June 1964 by the seventy-seven developing country signatories of the 'Joint Declaration of the Seventy-Seven Countries', and was adopted at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD) in Geneva. Although the members of the G77 have increased to 133 countries, the original name was retained due to its historic importance.³

The aim of the G77 is to provide a platform at the UN through which developing countries can communicate and 'promote their collective economic interests and enhance their joint negotiating capacity on all major international economic issues and promote South-South cooperation for development'.⁴ On 20 July 2014, in Santa Cruz, Bolivia, the G77 and China celebrated the fiftieth anniversary of G77, with the defining moment being the adoption of the Declaration of Santa Cruz, 'Towards a New World Order for Living Well'. This is rooted in the fact that the current world order is not conducive to a good standard of living in the global south, where poverty is still a reality. Therefore, the G77 and China committed themselves to transform global relations for a just world, or a world characterised by fairness, equity and global justice.

Given the significant place of the G77 in international relations, the aim of this chapter is to examine the feasibility of its project to turn global relations into a space where global justice is the rule, through an analysis of challenges and opportunities that would lead to the realisation of its goals. To this end, the chapter examines the extent to which the G77 can tap into the UN system to ensure the establishment of a better world order for all. In this vein, the chapter looks at possibilities afforded to the G77 and China at

the main Committees of UN General Assembly, given that the UN Security Council does not focus on development issues. Ultimately the chapter finds that, notwithstanding some positive avenues at the UN General Assembly's Second and Fifth Committees, the lack of tangible results by the G77, the self-interest of actors and the shaping of the global development agenda outside the UN constitute hindrances towards the transformation of global relations for a just world. In other words, the global power structure in which the G77 is located hinders its ability to turn the world into a better one.

The chapter is divided into five parts, including this introduction. The second part of the chapter examines the global structure of powers in post-colonial times; the third part analyses how the G77 came into existence; and the fourth part explores the challenges and opportunities facing the G77. This section, which is central to the chapter, will examine the *modus operandi* of the G77 at the UN to explore avenues and the barriers it is facing in its project of transforming global relations for a just world. The fifth part of the chapter will provide concluding remarks.

A BRIEF OVERVIEW OF THE GLOBAL STRUCTURE OF POWERS IN POST-COLONIAL TIMES

Development does not happen in a vacuum, and cannot be narrowed to issues of food, water, education and healthcare without consideration of existing power dynamics,⁵ hence the need to examine the global structure of power. The latter refers to global arrangements which perpetuate colonialism in the postcolonial era. These arrangements are known as 'coloniality'.⁶ In other words, the global south operates in what Ndlovu-Gatsheni calls the 'postcolonial neocolonised world', where decolonisation and freedom are illusions maintained by global powers through various means, including global institutions.⁷ The latter includes the UN and its Security Council, UN Committees, the World Trade Organisation (WTO), the International Monetary Fund (IMF) and the World Bank,⁸ which do not empower the global south but enable the global powers to dominate and maintain control over others.⁹ As a result of these arrangements, the global south is trapped in poverty and underdevelopment.

The global north cannot, however, be blamed for the Third World development ills, for their leaders behave unethically and this fosters underdevelopment.¹⁰ In this perspective, Moeletsi Mbeki describes African leaders as 'the architects of poverty' who keep their populations poor while

embezzling wealth for their selfish interests.¹¹ While this observation is correct, it could be erroneous to ignore the role of colonial matrices of power in the equation of development in the global south. Cheru writes:

What is normally accepted as 'development' in Africa has been essentially an imperial project, derived and financed by the dominant Western powers to serve Western needs.¹²

In sum, developmental questions cannot be discussed separately from 'the power game', which defines the international relations in which the G77 seeks to transform the world into a better place for all. It is against this backdrop that we should understand some challenges faced by the G77, as examined later in this chapter. The next session focuses on the formation of the G77.

THE FORMATION OF THE G77

Inequality and inequity between the global north and the global south inspired the emergence of the G77. Due to decades of colonialism, the hegemonic world order had not been conducive to the development of developing countries. On the contrary, development was hampered by trade barriers, absence of sovereignty over developing countries' national resources, lack of technology, lack of access to financial resources and severe debt burdens, all of which yielded abject poverty. The gap between rich and poor countries kept growing. Echoing Paul Kennedy's arguments, Swart¹³ wrote:

The South's greatest frustration, however, was based upon the increasing evidence that the gaps between richer and poorer countries were simply not closing ... In 1947, average income per head was \$1 300 in the US, between \$500 and \$750 in Western Europe, and around \$100 in most underdeveloped countries – a thirteen-to-one disparity between the top and bottom. A full forty years later ... this disparity was around sixty-to-one.

As a result of this disquieting situation, developing countries came together to establish the G77. The advent of the G77 was not, however, a straightforward development. Prior to its establishment, developing countries met only on special occasions dealing with specific issues. For instance, at the establishment of the World Bank in 1944, Latin American countries gathered and ensured that development and reconstruction were given the same

weight on the agenda of the newly established World Bank.¹⁴ Similarly, at the initial stage of the UN General Assembly, developing countries ‘spoke’ with the same voice and obtained an equitable regional representation of UN General Assembly vice-presidents and judges appointed to officiate at the International Court of Justice.¹⁵

The 1955 Bandung conference in Indonesia was the turning point for the strategy of developing countries speaking with one voice on international affairs. This important event gathered 29 countries from Africa and Asia, including China, and it was the initial step in setting up the Non-Aligned Movement (NAM). The Bandung Declaration issued a common position on matters related to economic and cultural cooperation; human rights, with specific focus on racial discrimination and self-determination; national sovereignty; the sharing of non-permanent seats in the UN Security Council; and the promotion of peace, including the question of conflict resolution in Palestine. This was a milestone, because in 1959 – during the course of the General Agreement on Tariffs and Trade (GATT) discussions, inspired by the Bandung Declaration – a group of thirteen countries from the developing world successfully formulated a common position regarding suitable tariffs in favour of developing countries.¹⁶

Subsequently, the NAM and the G77 were established in 1961 and 1964, respectively. These two organisations became the voices of developing countries. On the one hand, the NAM’s focus covered issues revolving around self-determination, the end of colonialism and racism, peaceful co-existence with both the East and the West, disarmament, and the democratisation of international institutions. On the other hand, the G77’s focus was on economic development and other financial questions, such as debt incurred by developing countries from the financial institutions as a result of loans that were taken up for purposes of development.¹⁷ Nevertheless, at the centre of both organisations, the development of the global south was paramount, and one way of achieving it was to remove unfair trade rules, which were not adequately addressed by the 1947 GATT. Failure of the GATT to deal with poor countries’ needs led to the claim that the ‘G77 was born within, and primarily as a result of the changing composition of the United Nations system in the 1960s, and resulted directly from the quest for a *new international trade organisation*’.¹⁸ At its outset, the GATT essentially catered for the interests of developed countries and failed to include issues of development comprising the limits on the use of quantitative restrictions, subsidies and preferential agreements and commodity agreements.¹⁹

Fortunately, in December 1961, the UN General Assembly labelled the 1960s period as ‘the United Nations Development Decade’, supplemented by

a resolution on 'International Trade as the Primary Instrument for Economic Development'. This provided a bridge for developing countries to call for a conference or a resolution to remedy global inequities in trade. Surprisingly, however, guided by self-interest, developing countries were divided on the need to revise trade rules.²⁰ In this respect, they tabled competing resolutions, which resulted in the tearing apart of agreements reached in previous resolutions. Except for Cuba, all Latin American countries voted against adopting a resolution on trade at the UN Second Committee. This was a major challenge which led to the establishment of the G77.

The situation was, however, rescued by two events organised by the NAM. Firstly, at its initial meeting, held in September 1961 in Belgrade, attending countries, including Cuba, urged developing countries to cooperate and deal with issues of aid for development, technical assistance, and international trade to achieve their development. More importantly, the need to hold an international trade conference – which was a dividing issue at previous meetings (as some countries were against the conference, believing that it could jeopardise their interests) – was also discussed. Secondly, a non-UN meeting, held from 9 to 18 July 1962 in Cairo 'on the Problems of Economic Development', provided a breakthrough.²¹ Eight Latin American countries attended this meeting. Bolivia, Brazil, Cuba and Mexico were full participants, whereas Chile, Ecuador, Uruguay and Venezuela were observers. The involvement of these Latin American countries, together with their African and Asian counterparts, led to the characterisation of the meeting as 'the first cross-continental meeting of Africa, Asia, and Latin America on common economic concerns'.²² The Cairo event unequivocally called for an international conference on trade. Highlighting a common position of developing countries, its resolution reads:

The Declaration which called for common action by developing countries in the UN and GATT declared itself, 'resolutely in favour of the holding of an international economic conference within the framework of the United Nations' whose agenda shall include, 'all vital questions relating to trade, primary commodity trade, economic relations between developing and developed countries'.²³

Subsequently, with the blessing of the Western powers, the UN Economic and Social Council (ECOSOC), at its thirty-fourth session,²⁴ and the UN General Assembly²⁵ agreed to organise an international trade conference on 3 August and 8 December 1962, respectively. A year later, informed by the need to unite, 75 Southern countries used the opportunity, during a

preparatory session at the UNCTAD, to agree with one another. They issued a joint declaration on 11 November 1963²⁶ which 'was the cornerstone for the establishment of the Group of 77'²⁷ as a bloc, in 1964 in Geneva. Signatories included 31 African countries, 20 Asian countries, 21 from Latin America, plus New Zealand, Cyprus and Yugoslavia. It is important to note that China joined the G77 in the nineties with a special status, as it had not applied for membership.²⁸ China joined the G77 as a supporter of sovereignty in reaction to criticism of human rights violations by the Western powers.²⁹ Whatever the case may be, China is an important player in the G77.

In a nutshell, the Declaration on the establishment of the G77 emphasised the necessity to ensure that national initiatives are supplemented by an international environment conducive to trade stimulation for development in the global South.³⁰ The Declaration called for 'new international trade and development policy'³¹ crafted around fair trade rules, expansion of trade between countries with consideration of levels of development, support from the North, and market access for developing countries. In completing the first session of UNCTAD in December 1964, notwithstanding the departure of New Zealand, the G77 had increased to 77 and their Declaration underlined the need for 'creating a new and just world economic order'.

Nevertheless, one of the burning questions was the institutionalisation of the UNCTAD conference. On the one hand, some Southern countries, such as Malaysia and India, were against the institutionalisation of the organisation and called for the adjustment of the GATT to address the interests of poor countries. They were of the view that UNCTAD should simply be included in ECOSOC. This was actually the position of many Western powers that were not comfortable with a pro-South organisation that could become uncontrollable.³² The position of India and Malaysia was informed by self-interest, as they wanted to safeguard their benefits under the GATT regime, in which they had preferential treatment in accessing Western markets. On the other hand, most developing countries argued that ECOSOC membership was insignificant, as its concerns for developing countries were secondary and unproductive.³³

Fortunately, by the end of the conference a compromise was struck and UNCTAD became an organ of the UN General Assembly, with membership opened to all UN Member States.³⁴ This provided a significant platform for the G77 to conduct its activities. This was an important victory for the G77, which used that platform to push for and keep 'negotiations on commodities, trade and investments on the UN's agenda',³⁵ and to claim the establishment of the New International Economic Order (NIEO) as well as a 'New World Order for Living Well'.

THE G77, THE NIEO AND THE 'NEW WORLD ORDER FOR LIVING WELL'

Subsequent to the institutionalisation of UNCTAD, the NAM and G77, working in tandem, decided to push for the establishment of a NIEO, which would be conducive to the development of the South. While the idea of the NIEO was further articulated in the NAM meeting in Algiers, Algeria, in 1973, the G77 took the responsibility to push for it in the UN. Nevertheless, in the preparatory meeting aimed at agreeing on the issue, G77 countries – guided by their self-interest as most of them tried to protect their specific benefits in the existing world order – disagreed on the idea of claiming the NIEO.³⁶

As a result of the failure of UNCTAD II (in New Delhi, India, 1968), where very few concessions were given to the Southern countries, as well as the massive 1970 oil crisis, developing countries needed other options or possibilities to achieve their development. Therefore, they requested, and obtained, the UN General Assembly Resolution on the establishment of the NIEO, on 1 May 1974,³⁷ and its Programme of Action (PoA). Furthermore, six months later, the Charter of Economic Rights and Duties of States³⁸ was adopted. The PoA for the realisation of the NIEO comprised an explicit call for the implementation of trade governance for the development of the South, as well as financing development, reform of the international monetary system with special attention paid to Southern countries, decision-making mechanisms, cancellation of debt, transfer of science and technology, and self-reliance in the form of South-South cooperation.

Although the adoption of the NIEO resolution seemed to signal a major swing in the way international affairs were conducted, on the ground very little had changed as there was no political will for implementation of the resolution.³⁹ Importantly, the NIEO remained a dream as a result of a change in the politics of the major Western powers. Indeed, in the 1980s, United States (US) President Ronald Reagan and United Kingdom (UK) Prime Minister Margaret Thatcher decided to undo all the gains achieved through the G77.⁴⁰ Reagan perceived international cooperation as a constraint to US hegemony. According to Savio,⁴¹ 'the engagement for global governance based on law and cooperation was substituted with an American *realpolitik*, where the G77 and the South were considered incompatible with American interests'. The US sponsored global politics for the impoverishment of the South through the 1989 Washington Consensus, which 'inversed the NIEO'.⁴² This was exacerbated by the establishment of the WTO in 1995, which withdrew significant discussions on trade from the UN. Furthermore, in the same vein, the international financial institutions were also administratively dissociated from the UN.

The new policies, in the form of 'neoliberal' globalisation pushed by capitalist interests, have simply reduced the South to 'the wretched of the earth', to use Fanon's words.⁴³ The global south became destitute, as a result of engineered poverty, which was not inherent to the region. Nobel laureate Joseph Stiglitz argues that 'social inequality is a political choice, not an economic inescapable law'.⁴⁴ The effects of the Washington Consensus are still real and ensure the persistence of poverty in the South. Therefore, the issues of global injustice, which led to the call for the NIEO order in the 1970s, are relevant today. This led Knight, Minister of Foreign Affairs of Jamaica, to argue that '(a)gainst the background of increasing wealth and increasing poverty, evolving political and economic alignments and growing dominance of major power centers, the underlying policy rationale which inspired the formation of the Group of 77 and China has essentially remained unchanged'.⁴⁵ This situation justifies the G77's call for a 'New World Order for Living Well' through the Santa Cruz Declaration at the commemoration of its fiftieth anniversary in 2014. As correctly emphasised by Savio, this anniversary should be the beginning of another stage in which the G77 takes action for an improved standard of living for all in the world.⁴⁶ The following section explores the prospects for the achievement of a better life for all, initiated by the G77 in the current political economy landscape. This exploration revolves around an examination of challenges and opportunities facing the G77 at the UN.

THE G77 AND THE ESTABLISHMENT OF AN EQUITABLE WORLD ORDER

Given that the domain of action of the G77 is the UN system, this section explores how the G77 can tap into this system and, specifically, the UN committees to transform the world into a just or equitable one. Due to the diversity of issues at the UN General Assembly, particular questions are allocated to specific committees. The Assembly's work is divided among, and allocated to, its six main committees, which debate issues before presenting resolutions and decisions to the Plenary Assembly for deliberation. The distribution of tasks to committees is organised as follows: The First Committee deals with disarmament and international security; the Second Committee deals with economic and financial matters; the Third Committee deals with social, humanitarian and human rights questions; the Fourth Committee focuses on special political and decolonisation issues; the Fifth Committee focuses on administrative and budgetary questions; and the Sixth, known as the Legal Committee, focuses on international legal

issues.⁴⁷ The following addresses the Second and Fifth Committees, through which the G77 has the opportunity to influence and transform global relations for a just world.

THE G77 AT THE SECOND COMMITTEE OF THE UN GENERAL ASSEMBLY

The core issues at the Second Committee comprise economic growth, international trade, the international financial system, external debt sustainability, financing for development, sustainable development, poverty eradication, globalisation and interdependence, as well as technology transfer. These issues are vital for the transformation of the political economy for a better standard of living in the global south, for fairness and, broadly, a just world. Indeed, given the large number of members of the G77, the latter could shape the agenda on the issues highlighted above to ensure a better standard of living for all in the developing world.

From this perspective, the G77 could use its numbers to influence decisions on fair trade rules, financing development, debt cancellation and other issues that hinder the realisation of development in the global south. This has occurred, as shown by the adoption of various resolutions developed in the Second Committee with the massive support of the G77. In this respect, the G77 was instrumental in the adoption of the General Assembly Resolution 68/204 of 20 December 2013 to convene, in 2015 or 2016, the Third International Conference on Financing for Development.⁴⁸ Another success was the adoption of the Resolution on Sovereign Debt Restructuring by the General Assembly on 28 August 2014, known as the Resolution ‘towards the establishment of a multilateral legal framework for sovereign debt restructuring processes’,⁴⁹ which aims to restructure foreign aid so as to ensure economic growth in the South.

The efficiency of the G77 at the Second Committee is, however, often limited by various factors. Amongst others, members of the G77 sometimes do not reach consensus on a specific position, and this weakens the group. For instance, during the conclusion of the report on the Open Working Group on Sustainable Development Goals (OWG-SDGs), which took place from 14 to 18 July 2014 to prepare its report for the General Assembly, the G77 failed to agree on proposed goals and targets, in spite of reaching an agreement on the means of implementation and a few general principles.⁵⁰

The lack of consensus by the G77 is often due ‘to competing national, regional, or factional interests’⁵¹ which member countries have to deal with. Explaining the situation, a former chairperson of the G77 clarified that ‘(e)

ach issue on the G77's agenda has its own constituency'.⁵² For instance, the groups of BASIC (Brazil, India, China and South Africa) and BRICS (Brazil, Russia [a non-G77 member], India, China and South Africa) often take specific stances on trade issues that may be contrary to the G77 decisions. Walaza observes that as a result of its 'size and the changing of the global economic order, the G77 had been weakened by the rise of a strong incentive to organise in smaller groupings, particularly from so-called emerging powers that have built their own intra-regional grouping system'.⁵³

The other hindrance facing the G77 is the problem of multiple memberships by some of its members. In fact, various G77 members are also affiliates to the African Group, the African, Caribbean and Pacific (ACP) group, and least-developed countries (LDCs) at the WTO. All these groups have their own interests and positions that are not necessarily linked to the G77 views.⁵⁴ For instance, in the competitive quest by the ACP to secure specific interests, such as preferential treatment in the EU market for their tropical products, among other small vulnerable economies, the broader G77's agenda tends to be forgotten.⁵⁵

On the other hand, having many constituencies or holding multiple memberships of groups may well be the opportunity to look for a middle ground, to seek consensus and design roadmaps needed to ensure the eradication of poverty, which is significant in the quest for global justice. From this perspective, given that many trade and finance issues are discussed at the Group of 20 (G20), where member states shape global policies on international trade and finance, countries such as China have leverage and an opportunity to insert the G77's agenda in the discussions, which are normally kept away from the Second Committee. Therefore, the emergence of various groups and multiple memberships of states is not problematic, as they provide opportunities. Members of these groups should simply leverage their influence to advance the interest of the developing world broadly, keeping in mind the need of their original group, which remains the G77 where the global justice agenda was initially conceived.

Nevertheless, the challenge remains a reality as one is never sure whether China would relinquish its specific interests at the G20 to advance the common agenda of the G77. Given that China would have invested its resources to access the debates in the G20, it is unlikely to see the G77 interests as paramount. The problem is aggravated by the global economic crisis, which forces countries to be more inclined towards self-interest. Landers writes:⁵⁶

(F)ollowing the global economic slowdown, which has turned the global development agenda into highly contested terrain, with many countries seeking to reshape it completely in order to try and restore their comparative

economic advantage, maintaining unity among the countries of the South, and therefore within the G77 itself, has become a real challenge.

In a similar perspective, Wade observes:⁵⁷

(T)he G20 is an important reason why the G77+China showed itself to be so unsure of what it wanted. Since the G20 was upgraded to heads-of-government level in late 2008, the big developing countries in the G20 tend to give priority to their G20 membership and are less inclined to engage in forging a common G77 position.

Another challenge faced by the G77 is that many decisions related to international trade and finance are taken at the WTO and international financial institutions, namely the World Bank and IMF, which are designed to serve Western powers.⁵⁸ In this context where the global structure of power is exposed, important decisions related to the achievement of development are taken away from the Second Committee, and consequently away from the G77. Even though it could be argued that numerous members of the G77 are also members of the WTO, the emergence of new powers in global politics has hindered the ability of the G77 to stand collectively. These new powers are more inclined to flex their muscles in the interest of their regional groupings, and one of the best platforms to do so is by setting alliances at the WTO.⁵⁹ In the process, such alliances do not necessarily focus on the G77's agenda, which unfortunately falls between the cracks. Sharing this view, Walaza writes:⁶⁰

The BRICS group of nations is all vital members and has been critical in the formation of the stated groups in negotiations at the WTO. Their active participation has inevitably shifted the bargaining power from large groupings such as the G77, to smaller and more effective grouping such as Cairns (an alliance of agricultural exporting countries) and the G20 groups in the negotiations at the WTO.

A further challenge facing the G77 and China is that the European Union (EU) and the US avoid development issues at the centre of the negotiations on the Doha Development Round. In this manifestation of power, they rely on a new regime of a regional agreement which weakens their commitment to multilateralism, the area of excellence for the G77 and China. In this respect, there are negotiations of the EU–US Trade and Investment Partnership (TTIP), in which the G77 and China have no say. According to Štěrbová,

regional agreements are harmful to the promotion of an open international trade regime.⁶¹ To be specific, research shows that the TTIP could be detrimental to the development of countries in the South, particularly on the questions related to market access for agricultural products.⁶²

It could be wrong to conclude, however, that outside the UNCTAD, the G77 and China have not been able to air their views on issues of multilateral trade discussions in the past 51 years. On the contrary, at the 2001 Ministerial Conference that followed the WTO ministerial meeting in Seattle, the G77 influenced the agenda in calling for an improvement of multilateral rules to ensure their responsiveness to the trade and development needs of Southern countries in the interest of equity.⁶³ This position became the G77's motto during the negotiations.

Furthermore, developing countries' interests were neglected during the multilateral trade agreements at the Doha Development Round, when the G77 called on the international community to ensure that countries of the South were not forgotten. Similarly, in 2010, the G77 urged Western countries to drop protectionist measures, such as non-tariff hindrances and agricultural subsidies that hamper development in the South.⁶⁴ In this endeavour, the involvement of the G77 and China on the restructuring of the international economic order was boosted by the commitment shown by leading members of the group such as China, Brazil and India in other forums, for instance the WTO and G20, where development debates take place.⁶⁵ As result of this development, China, Brazil and India (who carry the voice of the G77) are now allowed to enter the green room negotiations at the WTO, previously reserved for the Group of Eight (G8) member countries. The direct involvement of G77 representatives in the green room, as well as in discussions with the G20 members, was instrumental in getting the Agriculture Framework Proposal onto the Doha Development Round's agenda.⁶⁶

Moreover, the G77 is also credited for the success of the 2013 Bali Agreement, which resolves to take 'a series of decisions aimed at streamlining trade, allowing developing countries more options for providing food security and boosting trade in least developed countries'.⁶⁷ Characterised as a landmark package, the Bali Agreement cannot be thoroughly examined without a consideration of the pressure put on Western countries by the G77. Sharing this view, Walaza observes: 'While gains for developing countries at the WTO remain relatively marginal, they are gains for the membership of the G77 and augur well for the position of the G77 as an international actor'.⁶⁸

This suggests that, notwithstanding the challenges facing the G77, the latter can and should keep playing its role, which is important in keeping the question of unfair trade rules, debt and eradication of poverty and development on the table in every platform at its disposal. At the UN General Assembly, the G77 has been credited with shaping important aspects of the Millennium Development Goals (MDGs). Lund argues that Goal 8b reads like a G77 declaration when it calls for⁶⁹

(t)ariff and quota free access for the least developed countries' exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous Official Development Assistance (ODA) for countries committed to poverty reduction.

This shows that although the G77 could not secure all its demands in the MDGs (such as employment measures),⁷⁰ it has the potential to steer global politics towards the eradication of poverty through the Second Committee, and the UN Assembly in general. Furthermore, notwithstanding the emergence of new powers in global affairs, the history and legitimacy of the G77 remain some of its best tools for claiming a better life for all. Nonetheless, the main challenge is that under the leadership of global power, various developmental questions are moved from the Second Committee to the WTO, IMF and the World Bank, where the G77 has no say.

THE G77 AT THE FIFTH COMMITTEE OF THE UN GENERAL ASSEMBLY

Also known as the Administrative and Budgetary Committee, the Fifth Committee is in charge of administration and budgetary matters. Based on its reports, the General Assembly debates and approves the budget of the UN Secretariat. Therefore, the work of the Fifth Committee is vital for the functioning of the UN Secretariat. Swart notes that '(w)ithout timely approval of adequate budgets and payment of dues, for instance, the UN Secretariat cannot properly function'.⁷¹

The nature of the work of the Committee enables the G77 to use its numbers to shape, or at least to influence, budget- and administrative-related decisions, or to frustrate the whole process as decisions and undertakings have to conform to clear deadlines.⁷² The G77 and China have taken advantage of the situation to call for an increase of budget allocation for development. For instance, in 2007, the G77 used its numbers to acquire more funding for development.⁷³ This was triggered by the fact that, in 2006,

US\$600 million was approved for activities of the Department of Political Affairs. In addition, there was an increase of 34 per cent for peacekeeping operations, whereas the development budget increased by only 0.5 per cent.⁷⁴ This was a case of biased distribution of resources, which could not improve development in developing countries that need far more financial resources.

Although criticised for contributing only 20 per cent of the budget, the G77 members stayed firm in requesting more development budget, on the grounds that their ability to contribute substantially was limited by their smaller portion of the world's economy, huge external debts and poverty levels in their countries.⁷⁵ Put differently, structural challenges, such as unfair global policies on trade, debts and other global inequities, limit the G77's ability to pay its dues to the UN. This has relentlessly been emphasised by the G77. The efficiency of the G77 in making the most of the nature of the work at the Fifth Committee led to the comment that⁷⁶

(t)he G77 is more united and more powerful in the Fifth Committee than in any other committee. Not just because of the deadlines and the importance of scales and budgets, but also because the role of consensus gives the group considerable leverage.

States from the northern hemisphere, however, use voluntary contributions instead of due contributions to limit the power of the G77 in budgetary matters at the Fifth Committee. The use of voluntary contributions enables states from the North to shape the agenda by allocating money to their specific interests and not to poverty eradication as advocated by the G77.⁷⁷ Voluntary contributions frustrate the G77 and China. This was explained by the 2009 G77 Chairperson from Sudan. Swart captured his concerns as follows:⁷⁸

The Group of 77 and China are concerned to notice the growing imbalance between assessed and voluntary contributions. Indeed, we are facing a situation in which the amount of extra-budgetary resources has reached a level that is nearly twice as large as the regular budget. This has put the Organization in a governance crisis, whereby on the one hand, legislative bodies approve mandates and priorities, and, on the other hand, voluntary contributions are often used to bend the priorities toward specific mandates. We currently have two classes of mandates: the privileged ones, which benefit from constant flow (of) resources from assessed contributions or voluntary

assistance by donor countries; and the neglected ones, constantly underfunded and scrambling for a few crumbs of the regular budget.

Besides voluntary contributions which shape the agenda at the UN, the G77 victories merely frustrate the processes as they delay proposals from the North instead of achieving its goal of poverty eradication. This is due to the fact that when the G77 succeeds in getting a budgetary increase for development, the money is generally used to create more posts and not for explicit development projects or activities.⁷⁹

Nevertheless, given that the UN is an arena where the power game is important, every little victory counts, even if it is just a delay that can bring the other party to the discussion table or to a compromise. In this regard, another instance where the G77 affirmed its importance and relevance was during the review of the Mandate of the UN Secretariat in 2005. Called by the US, the review aimed to assess, update and remove overlapping mandates. To avoid the might of G77, the review was assigned to informal working groups within the General Assembly and not to the Fifth Committee, where it belongs, as it links to resources. Nonetheless, the G77 successfully derailed the process by prolonging the discussions with questions related to its interest and, as a result, the whole process was simply called off after three years of debates.⁸⁰

It is, however, contended that one of the most difficult challenges faced by the G77 is the growing number of emerging economies amongst its members, as well as the power game exercised by the G20 that takes important decisions through the WTO and the Bretton Woods institutions. In this regard, the Western powers move the substantial development issues to the Bretton Woods institutions, and turn the G77 into a forum for mere talks without significance. A G77 delegate observes: 'What they do in Washington (the World Bank and IMF) is completely different from what we do here at the UN (at the G77). They actually do practical things while we just have discussions'.⁸¹ Similarly, echoing the South Centre, a Geneva-based developing countries think tank, Asadi is of the view that in contrast to its early days, when it shaped the agenda of international relations, the G77 has become impotent in the face of Western powers, which are in the driving seat.⁸²

Nevertheless, the Fifth Committee remains an avenue to be used by the G77 to ensure that adequate budgets and appropriate reforms are adopted for the achievement of a more equitable world order. Yet for this to happen, the G77 and China should strive to concretise their victories by ensuring that budget increases obtained through the Fifth Committee are allocated

to tangible development activities. In addition, they should find innovative ways to stop, or at least reduce, voluntary contributions, or attempt to ensure that these contributions are used for development. They should also be able to find ways to stay united in spite of challenges related to the economic crisis and the emergence of various other groupings. They should always strive to keep global issues at the UN, and not the G20, the WTO, or the Bretton Woods institutions.

On this note, the G77 and China have requested the reform of the international and financial economic system, so as to ensure that the voice of developing countries is listened to in the Bretton Woods institutions.⁸³ In this vein, the G77 and China underline the 'vital need for ambitious and expeditious reform of the Bretton Woods institutions, particularly their governance structures, based on full and fair representation of developing countries, in order to address the democratic deficit in these institutions and improve their legitimacy'.⁸⁴ On the one hand, the reforms entail the revision of governance structure at the IMF and ensure that developing countries are shielded from conditionalities attached to loans and other transactions with the IMF. On the other hand, the reform of the World Bank's governance structure is needed so that Southern countries are able to participate in economic development at the same level as Western countries. For this to happen, there is a need to enhance the 'voting power of developing countries based on an approach that truly reflects the development mandate (of the World Bank) and with the involvement of all shareholders in an equitable, transparent, consultative and inclusive process'.⁸⁵

Questions surrounding the appropriateness of the current Bretton Woods institutions also came from officials from the global north. For instance, Paul Volcker, former chairman of the US Federal Reserve, wondered whether the economic system of the last forty years had been effective. He reflected on this in these terms: 'the absence of an official, rules-based, cooperatively managed monetary system has not been a great success ... international financial crises seem at least as frequent and more destructive in impeding economic stability and growth'.⁸⁶ Similarly, illustrating how the global structure of power affects the global south, Michael Walton, the World Bank's Director of Poverty Reduction and Economic Management, said, 'we do not have any direct estimate of how many of the poor have been lifted out of poverty as a result of World Bank loans',⁸⁷ and Michael Mussa, Chief Economist at the IMF, noted, '(t)he IMF has presided over, and fostered, a crisis-prone system'.⁸⁸

In response to this state of affairs, which is not conducive to Africa's and the global South's development, the BRICS launched their own New

Development Bank (NDB) and announced the establishment of a Contingent Reserve Arrangement (CRA) in July 2014, obviously to shield themselves from going to the IMF for funding. One of the attractive aspects of the NDB is that no state will have the veto right currently applicable at the IMF and the World Bank, where the US enjoys this right as result of its shareholding.⁸⁹

Nevertheless, the Bretton Woods institutions unfortunately remain influential, because the 'NDB is expected to leverage financing from other states and international development finance institutions, including the World Bank', under the CRA arrangements, and states demanding more than 30 per cent of their borrowing limit will have to submit to an IMF surveillance programme.⁹⁰ This shows how the NDB needs the IMF to survive. *The Observer* described the situation as follows: 'The IMF's scale, capacity and resources are considered essential to the CRA's functioning and credibility'.⁹¹ Indeed, the Bretton Woods institutions seemed to have everything under control as the World Bank described itself as the 'solution bank',⁹² while the IMF was lending more money for applicant countries. It was reported that the IMF had signed 33 new agreements since 2010.⁹³ This led to the argument that '(t)he IMF remains a familiar and influential actor in many poorer states via its role as a lender of last resort and its ongoing willingness to impose economic policy conditionalities'.⁹⁴

Next to the influence of Bretton Woods institutions, the G77 and China are yet to obtain the reforms requested. On the contrary, they face serious challenges in their current inability to put an end to the constant presence and domination of the IMF and the World Bank. *The Observer* explained this as follows:⁹⁵

The (World) Bank remains at the heart of discussions over how models of development should evolve, while the increase in IMF financing and proliferation of its lending programmes show that it is far from sunk. Rather than becoming irrelevant, the Fund and Bank occupy new terrain where BRICS and G77 states are competing with advanced economies to shape (Bretton Woods institution) roles. Consequently, the (Bretton Woods institutions) are regaining influence despite a lack of progress in governance reform and stalled accountability.

This speaks to the competing interests of BRICS countries and other G77 countries, which do not ease the search for common solutions for development in the global south. Nevertheless, in their endeavour to transform global relations for a just world, the G77 and China should constantly challenge the relevance and legitimacy of the Bretton Woods institutions,

which no longer address development needs in the global south. One way of doing this would be to emphasise that the UN remains the most adequate 'venue to discuss the economic and financial affairs and decide on the best follow-up and alternatives to meet the needs and challenges of the 21st Century'.⁹⁶ This push should be an attempt to call on the global north to discuss financial and development issues at the UN, the area of predilection of the G77, which can use its numbers to shape the debate.

In sum, although the G77 leaders failed to agree on various issues and are divided by self-interest, it could also be noted that tools of global coloniality, such as the G8, G20, the WTO and the international financial institutions, amongst others, hamper the ability of the G77 to make a significant difference in achieving its mission of establishing a better world for all. These tools of global coloniality of power weaken the Fifth Committee and turn it into a platform for rhetorical discussions.

CONCLUSION

The aim of this chapter was to examine the extent to which the G77 can transform global relations for a just and equitable world. It set the stage by exploring the global power structure to examine the environment in which the G77 operates. It then looked at the development of the G77, which emerged as a result of global inequity that kept Southern countries underdeveloped and led to their unity in claiming a NIEO, as well as the establishment of a 'New World Order for Living Well'. In assessing the feasibility of this project, the chapter explored the avenues afforded to the G77 and China at the UN General Assembly's Second and Fifth Committees, where the Group has better chances of transforming global relations for a more equitable world.

The chapter found that, at the UN General Assembly, the Second Committee focuses on economic growth, international trade, the international financial system, external debt sustainability, financing for development, sustainable development, poverty eradication, globalisation and interdependence, as well as technology transfer, which are all vital in building an equitable world. In this forum, the G77 and China can use their numbers to influence the adoption of decisions to secure a just world. Serious challenges to achieving the transformation of global relations for a just world are, however, constituted by the lack of tangible results by the G77, the emergence of various other groupings and blocs containing members of the G77, the self-interest of actors, and the shaping of the global development

agenda outside the UN due to the global structure of power. The chapter also argues that, in spite of attempts by the BRICS group to overtake the Bretton Wood institutions with the establishment of the NDB, the Bretton Wood institutions remain strong and very efficient in asserting their control over and influence on international finances.

Overall, the location and operationalisation of the G77 within the confines of global structures of power hinder its ability to transform global relations for a just world. The UN Committees in which the G77 operates are simply tools used by the global structures of power to ensure its hegemony. So far the G77 has, however, reminded the rest of the world about the importance of the development agenda, notwithstanding the challenges which threaten the very existence of the G77. It keeps the question of poverty on the table and is a constant reminder that the objective of a better standard of living for all is yet to be realised. This, in itself, is a great opportunity that could lead to global justice.

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Emerging Questions on the Shifting Sino-African Relations

'Win-win' or 'win-lose'

Phineas Bbaala

INTRODUCTION

Sino-African relations are a subset of the much broader South-South relations which have assumed increased prominence over the last decades. Following many years of exploitation, economic injustice and underdevelopment, many African countries started looking east, particularly towards China, India, the Asian Dragons (also called Asian Tigers) – namely Hong Kong, Singapore, South Korea and Taiwan – and other countries such as the Soviet Union, with whom they seemed to have common interests in the global economic relations. Further, the world's top emerging economies – Brazil, Russia, India, China and South Africa (BRICS) – have also moved to strengthen ties among themselves and with other developing countries to present a new bloc capable of challenging injustices within the South-South relations and in the North-South relations.

Against the backdrop of three decades of a robust economy, China has become the BRICS member with the single biggest economic interaction with Africa. Over the last thirty years, China has emerged as one of the most powerful industrial powers on the surface of the planet. The Chinese economy has grown relentlessly for more than thirty years, with an astonishing 9.3 per cent gross domestic product (GDP) growth rate between 1989 and 2011, relatively defying the global recession in the process.¹ Consequently, in 2010, China overtook Japan to become the second biggest economy in the world, after the United States (US). In order to fuel the robust industrial sector at home and sustain its growth streak, China has had to abandon its inward-looking policy for a 'Going-out' policy (*zouchuqu*), primarily designed to gain access to global resources and markets.

Africa, a continent endowed with an array of scarce natural resources, such as oil and gases, minerals and virgin forests, was identified by China as particularly suited for its economic objectives. The Forum on China–Africa Cooperation (FOCAC) summit in Beijing held from 4 to 5 November 2006, which attracted 48 African countries and 42 African heads of state² demonstrated the popularity of China's foreign policy in Africa, at least among

the elites. Today, China boasts several trade-related deals with most African governments that have culminated in Chinese multinational corporations involvement in the extractive industry, construction, agriculture, manufacturing and commerce on the continent. Through these and other economic activities, China has been feeding its resource-hungry industries with raw materials, while accessing African markets for its goods and services.

However, although spaces such as the FOCAC, the Strategic Partnership and others are said to emphasise 'win-win' diplomatic relations, they could subtly serve as Trojan horses for China's resource and marketing interests in Africa, thereby raising the question of neo-colonialism in the relations. In any case, economic relations can have different possible results for partners. For instance, they can be 'win-win', 'win-lose', 'lose-win', or even 'lose-lose'. A 'lose-lose' economic relationship cannot be entered into knowingly or consensually because it is against the rule of nature. Rational economic partners seek to maximise their share of benefits from their relationships. However, this is only possible where there is equality and absence of the exploitation or dominance motive. The object is a 'win-win' relationship. In its absence, either the first or the second party gains or loses more than the other. This creates either a 'win-lose' or 'lose-win' situation. With regard to international economic relations, the North-South relations were deemed 'win-lose', hence the fostering of 'win-win' relations through South-South cooperation, of which the Sino-African relations are a part.

This chapter attempts to evaluate whether China's economic relations with Africa are truly 'win-win' or, instead, 'win-lose'. In this case, the author commences by ruling-out the 'lose-win' possibility on the grounds of the hare-tortoise growth comparison between China and Africa over the last couple of decades. The chapter attempts to evoke further debate on the questions of equality and justice in global economic relations. It deliberately exposes some of the emerging challenges to the enhancement of equal economic relations in Sino-African relations in the wake of the changing global dynamics. In the final analysis, the objective is, therefore, to arouse a broader and deeper discourse on South-South relations in general.

THEORETICAL PERSPECTIVES

In order to competently deal with the questions emerging in the relations between China and Africa, one needs the guidance of theory. Historically, academic platforms in Africa have theorised how economic relations between developing and developed countries have tended to tilt in favour of

the latter. Some of the most serious arguments on the subject have taken the twist of the neo-Marxist dependency theories popularised by the United Nations think-tank, the Economic Commission for Latin American Countries (ECLAC), and some individual scholars in the late 1950s. Andre Gunder Frank, Fernando Henrique Cardoso, Enzo Faletto, Walter Rodney and Kwame Nkrumah are among those who took a frontline position on the subject. The theory, which was initially introduced as an explanation and remedy for the chronic underdevelopment and backwardness of Latin American countries due to their unequal relations with the US, later dominated international academic platforms.

For more than five decades, African, Asian and Latin American scholars have investigated and written on how Europe has undermined development on their continents through slave trade, colonialism and, later on, neo-colonialism. As Walter Rodney put it:

Western Europe and Africa had a relationship which ensured the transfer of wealth from Africa to Europe. The transfer was possible only after trade became truly international; and that takes one back to the 15th century when Africa and Europe were drawn into common relations for the first time – along with Asia and the Americas. The developed and underdeveloped parts of the present capitalist section of the world have been in continuous contact for four and a half centuries. The contention here is that over that period Africa helped to develop Western Europe in the same proportion as Western Europe helped to under develop Africa.³

The starting point was that global inequalities were caused by an unfair economic system arising from resource extractive imperialism and colonialism that the Northern colonial powers had imposed upon the developing regions of Africa, Asia and Latin America. They argue that much of the economic underdevelopment found in developing countries is a direct result of these countries' connection to the economic systems of the industrialised countries of the North. They contend further that the economic resources of the developing countries were being drained northwards to the metropolises of the capitalist world, thereby making the African, Asian and Latin American countries dependent states.

Kwame Nkrumah's version of 'neocolonialism' and Andre Gunder Frank's 'Metropolis-Satellite' thesis of North-South associations form the appropriate theoretical perspective for analysing the Sino-African relations. Nkrumah identifies the larger part of the developing world as historically entrenched in an exploitative association with the North. In his view, a state

can be said to be a neocolonialist or client state if it is independent *de jure* and dependent *de facto*.⁴ By this, he contends that, even after independence, former colonies in Africa, Asia and Latin America remain under the control of the capitalist-imperialist forces composed of the developed countries in the North. He argues that these capitalist forces, in search of international capital, continue to exert control over their former territories through international trade, aid and investment policies tailored to sustain the movement of resources from the developing countries. As sources of raw materials and markets for the developed countries, the developing countries had thus become client states.

After World War II, countries in the North reformed the capitalist-imperialist system, culminating, firstly, in the elimination of the 'old-fashioned' system of operating colonies exclusively answerable to one capitalist-imperialist state and, secondly, in the replacement of 'national' imperialism by 'collective' imperialism.⁵ By national imperialism, Nkrumah refers to the form of imperialism in which one country exerts its control over its colonies. However, imperialism becomes collective when one former colony is at the mercy of the many countries controlling the capitalist-imperialist system.

Although, as shown in the historical perspective of this chapter, China played a key role in the independence of African states by challenging the global capitalist system, questions have now emerged as to whether its current scramble with the North for Africa's resources does not add to the continent's 'collective imperialism'. Since collective imperialism also creates a conducive environment for what Nkrumah considers as the 'Trojan horses' of neocolonialism,⁶ any analysis of Sino-African relations requires one to go beyond tradition and the naked eye. While multinational corporations (MNCs), bilateral and multilateral aid institutions, and overseas technical advisors usually play an important developmental role in developing countries, they can also be used as Trojan horses tasked with the responsibility of blurring and extending neocolonial influences across the developing world. Nkrumah argues that 'internationalisation', or 'syndication', helped the US to fulfil two *sine qua non* conditions of expansion into the European market and the developing world market, and of militarising its economy on the pretext of increased global threats.⁷ However, as Ali Mazrui suggests, globalisation can have positive and negative effects. It is negative when it allows itself to be handmaiden to ruthless capitalism ... (and) deepens the divide between the haves and have-nots⁸ cited in Biney.⁹

Closely related to Kwame Nkrumah's version of 'neocolonialism' is Andre Gunder Frank's 'Metropolis-Satellite' thesis. Concerned with the underdevelopment of Latin American countries in the aftermath of independence,

Frank analyses their associations with the developed economies in the North. He begins with an argument that the underdevelopment of Latin American countries (at the time) was the result of its centuries-long participation in the process of world capitalist development¹⁰ which had led to their massive de-capitalisation. He sees the global capitalist system as a chain of constellations of *metropoles* and satellites ... (running all the way) from its metropolitan centre in Europe or the US to the furthest outpost in the Latin American countryside. In analysing the development of underdevelopment in Chile, Frank noted that the country had become increasingly marked by the economic, social and political structure of satellite underdevelopment.¹¹ He saw the increased polarisation of developing countries' economic, social and political structures as effective means for continued satellisation.

Therefore, one should understand the term 'development of underdevelopment' as a connotation of the progression of satellisation and its damaging effects on developing countries. The resource-based relations Africa has had with China over the last decade, which promotes exportation of raw materials and importation of finished products with very little, if any, technological transfer, and the indiscriminate adoption of the Chinese development model, may not only have a de-capitalisation effect, but could also make the continent China-dependent over the long-term. Notwithstanding other schools of thought on the current state of Sino-African relations, what is incontestable is the fact that in the wake of China's economic revolution, fostered by the *zouchuqu*, Chinese capitalism is in the fast lane.

Although the common understanding has been that the developing countries would only succeed in overcoming underdevelopment and poverty by fundamentally restructuring the unequal exchange characterising the North-South linkages by promoting South-South relations, new evidence is beginning to suggest the emergence of neocolonialism within the broad South-South relations and, particularly, in the Sino-African relations. Results of a survey conducted in Zambia in 2009 show that, on aggregate, 41.8 per cent of the Zambian respondents 'agree' or 'strongly agree' that China practices neocolonialism in African countries.¹²

EMPIRICAL PERSPECTIVE

Since the end of the civil war, the Chinese industrial sector has had an increased appetite for raw materials. Consequently, China's role in international trade has been on the increase. Notwithstanding the chequered growth experiences of the decades preceding the dawn of the new millennium,

China's share of world merchandise imports has wheeled from a measly 0.6 per cent in 1948 to 10.6 per cent in 2013.

Sino-African trade has been rising throughout the last decade. The period 1999 to 2009 recorded an average of 28 per cent growth in Sino-African trade, measured by monetary value adjusted for inflation. This period also saw the Sino-African trade value increase twelve-fold.¹³ Consequently, in 2009, Africa became China's number one trade partner. The period 2010 to 2013 has particularly seen an upswing in Sino-African trade volume, from US\$157 billion in 2010 to US\$160 billion in 2011 and US\$200 billion in 2013. However, an examination of what China exports to Africa and what Africa exports to China is instructive. Manufactured goods, machinery, textiles and clothing, and chemicals dominated China's exports to Africa. Alden shows that, in 2005, machinery and transport equipment and manufactures alone accounted for the greatest chunk of China's exports to Africa, at US\$8 billion and more than US\$16 billion, respectively.¹⁴

In value terms, by 2013, China's imports/exports in aggregate had swelled to US\$4 159 billion. This represented US\$1 950 billion imports value and US\$2 209 billion exports value. In the same year, China became the world's biggest merchandise trader, followed by the US, whose imports and exports totalled US\$3 909 billion. Table 11.1 shows the world's leading exporters and importers of merchandise in 2013.

Table 11.1 Leading exporters and importers in world merchandise trade in 2013

Exporters	Value (In Billions of US\$)	Importers	Value (In Billions of US\$)
China	2 209	United States	2 329
United States	1 580	China	1 950
Germany	1 453	Germany	1 189
Japan	715	Japan	833
Netherlands	672	France	681
France	580	United Kingdom	655
Republic of Korea	560	Hong Kong	622
United Kingdom	542	Netherlands	590

Source: Based on WTO, International Trade Statistics, 2014

As shown in Table 11.1, China is not only the world's top exporter of merchandise, but also the second biggest importer, after the US. With respect to Africa, Sino-African trade totalled US\$222 billion in 2014, an upsurge of 6 per cent from 2013. This represented US\$117 billion and US\$105 billion worth of imports and exports, respectively.¹⁵ In the same year (2014), China recorded a US\$12.5 billion trade deficit in its trade with Africa.

Although some scholars, such as Ayodele and Sotola,¹⁶ have argued that China's trade deficit with Africa is not due to its oil imports from the continent on account of the fact that only nine per cent of China's oil imports come from the continent, it is important to note that China's resource imports from Africa are not restricted to oil. Trade data show that, although China's export value to Africa has risen geometrically from below US\$10 billion in 2000 to over US\$60 billion in 2010, Africa's export volume to China in non-oil and mining products, on the other hand, has only grown numerically during the same period. This means that although Africa exports more than it imports from China, its exports are generally raw materials.¹⁷ For instance, in 2010, mineral commodities accounted for about 64 per cent of Africa's exports to China.¹⁸ This means that commodities dominate Africa's exports to China, while finished goods dominate China's exports to Africa. Table 11.2 shows the distribution of China's direct investment in Africa, by sector, at the end of 2011.

Table 11.2 Distribution of China's direct investment in Africa by the end of 2011

Agriculture related	2.5%
Wholesale and retail	2.7%
Science, technology and geological prospecting	4.1%
Leasing and business services	5.0%
Manufacturing	15.3%
Construction	16.4%
Mining	30.6%
Finance	19.5%
Real estate	1.1%
Others	2.8%

Source: Based on figures by PRC, Information Office of the State Council White Paper, 2013.

When the data in Table 11.2 are aggregated, the resource sector dominates China's direct investment in Africa. For example, mining (30.6%), construction (16.4%) and science, technology and geological prospecting (4.1%), which are all resource-related investments, account for 51.1 per cent of China's direct investment in the continent. It is also important to note that resource-rich African countries play a major role in China's trade deficit. For instance, although sub-Saharan Africa has maintained a trade deficit with China, fewer than half of the countries (notably Angola, the Democratic Republic of the Congo [DRC], Zambia and Equatorial Guinea) have a trade surplus with China.¹⁹ Precisely 17 out of 53 African countries enjoy mounting surpluses owing to their rich oil and mineral endowments, while the majority face widening deficits due to their enormous importation of Chinese goods.²⁰

Although there have been some policy initiatives, such as China's preferential tariff scheme, aimed at promoting the export of finished goods from Africa to China, very little has been achieved, owing to a number of factors. Firstly, although the number of African product lines granted zero-tariff status had increased from 454 in 2007 to 478 in 2009, resource products such as copper, cobalt and marble constituted the bulk of the tariff-free import value, as Eisenman²¹ and Van Beek²² argue. Secondly, African countries' non-resource exports to China, such as textiles, cotton, salt and sulphur, rawhides and skins, coffee and tea, and fish and crustaceans, could not compete on the Chinese market.²³ Thirdly, China's voracious appetite for Africa's commodities has not given the continent a chance to diversify into manufacturing. Currently, most resource-rich countries on the continent can easily be diagnosed with 'Dutch Disease', a term coined by *The Economist* magazine in the 1970s to describe the appreciation of the Dutch currency and a reduction in its non-oil exports after it discovered oil and gas deposits in the North Sea in the 1960s. Therefore, the current Sino-African trade pattern is perfectly orienting the continent towards long-term dependency on China, on both sides of the trade equation.

Another important interesting pattern in Sino-African relations is that, whereas China's exports to Africa are distributed widely across the continent, its imports from the continent are highly concentrated in a few resource-rich countries. In 2009, data showed that while China obtained U\$100 million from exports of goods to 38 African countries, it spent the same amount on imports from only 23 African countries.²⁴ On the one hand, about 60 per cent of China's exports are destined for six African countries and are distributed as follows: South Africa (21%), Egypt (12%), Nigeria (10%), Algeria (7%), Morocco (6%) and Benin (5%).²⁵ On the other hand, an

enormous 70 per cent of China's imports from Africa come from only four countries, namely Angola (34%), South Africa (20%), Sudan (11%) and the Republic of Congo (8%).

Whereas manufactures dominate the exports to populous African countries, fuels and mining and agricultural products constituted the lion's share of China's imports from resource-rich African countries. These data indicate that the search for markets and raw materials are the two foremost factors in China's relations with Africa. Therefore, although African countries could benefit from the intensification of relations with China, their fortunes are restricted by their low non-commodity exports to China. Meanwhile, since Africa provides the raw materials and the market for Chinese manufactures, China's benefits from this relationship are twofold²⁶ and, therefore, superior.

A continent struggling with an escalating unemployment rate and abject poverty, Africa's frustrated efforts towards value-addition and diversification, which have until recently been blamed on the colonial past, may equally be blamed on this emerging neocolonialist economic order in Sino-African relations. This argument is echoed by Henning Melber, who argues that Sino-African relations are a reproduction of the classical skewed pattern: raw materials on the one side (Africa) and (value-added) manufactured goods on the other (China). From this perspective, it is clear that the coming of new players, like China, has not brought about any significant transformation to the traditional global relations²⁷ anchored on exploitation, territorial inequality and injustice.

The continent's infrastructural development has particularly benefited from Chinese aid and resources-for-infrastructure (RFI) agreements – also called infrastructure-for-resources (IFR) agreements, or the 'Angola Mode'. Economic data show that, by 2010, about 2 180 Chinese companies had spread their commercial interests across Africa, while nearly 8 000 development projects financed by China were underway. These projects are mainly in areas of investment that have long gestation periods, such as electricity power stations, ports, airports and freeways,²⁸ among others. From the year 2000, RFI deals have been on the rise. In this arrangement, resource-rich African countries need not worry about their lack of credit worthiness, as China is willing to construct the infrastructure in exchange for natural resources.

Using the Export and Import (ExIm) Bank of China, China has used this mode to finance infrastructure development in some African countries: US\$4.5 billion to Angola in 2004 in exchange for oil supplies; US\$3 billion to Gabon in 2006 in exchange for manganese exploration rights; and US\$9 billion to the DRC in 2007/2008 in exchange for cobalt mining

development.²⁹ Another deal was the US\$4 billion oil-drilling license signed between China and Nigeria in 2006. In return, Beijing was to construct a rail system and some power stations for Nigeria.³⁰

Although some Chinese sources of official trade and investment data, such as the Information Office of the State Council and Xinhua, have tended to show how much Africa was benefiting from these Chinese infrastructure deals and foreign direct investments (FDIs), they have not adequately presented the other side of the coin. By the same token, most of the sources in the North have been unable to adequately appreciate the benefits accruing to African countries from Chinese investments.

An analysis of China's resources-based infrastructure projects in Africa should, as a starting point, acknowledge the fact that the 'Angola Mode' provides African countries with a non-traditional method of infrastructure development financing. Unlike the North's traditional development financing mode, in which African countries borrow hard cash to be repaid in monetary form over a period of time, in the 'Angola Mode' Chinese multinationals construct the needed infrastructure using the African country's resources as security. Once a deal has been signed, China is allowed to import particular resources while helping the exporting country to develop its key infrastructure – usually power plants, transport and telecommunications – which they would have problems to finance with their own means or the highly tied traditional multilateral loans.

It is also important to recall that China itself utilised this model of development financing to acquire industrial technology after its civil war. For instance, in 1977, China agreed to a deal with Japan in which the latter was to supply high technology for coal and oil extraction, to be repaid using coal and oil.³¹ The following year, China acquired a US\$10 billion credit line from Japan to finance the importation of heavy industrial equipment. China was to pay by exporting US\$10 billion worth of coal and oil to Japan.³² China's reformist leader, Deng Xiaoping, one of the protagonists of this mode of financing, once remarked:

In order to hasten the exploration of our coal and petroleum, it is possible that on the condition of equality and mutual benefit, and in accordance with accepted practices of international trade such as deferred and instalment payments, we may sign long-term contracts with foreign countries and fix several production sites where they will supply complete sets of modern equipment required by us, and we will pay for them with the coal and oil we produce.³³

Many African countries, especially those coming out of decades of internal turmoil, such as Angola and the DRC, have found this mode of financing suited for accelerating their post-war reconstruction. Table 11.3 is a summary of some of the African countries that have benefited from China's resources-for-infrastructure deals in recent years.

Table 11.3 Some major resource-based infrastructure projects in Africa financed by China, 2001–2007

Country	Year of Commitment	Resources Involved	Construction Project
Congo Rep.	2001	Oil	Congo River Dam
Sudan	2001	Oil	El-Gaili power station
Angola	2004	Oil	Power, transport, ICT and water portions
Nigeria	2005	Oil	Power turbine plant at Papalanto
Guinea	2006	Bauxite	Souapiti Dam project
Gabon	2006	Iron	Belinga oil reserve
Zimbabwe	2006	Chromium	New coal mines and power stations
Ghana	2007	Cocoa	Bui Dam hydropower project

Source: Extract from C. Cassel, et al., *Building African infrastructure with Chinese money*, 2010

Although Africa has become China's second largest overseas construction project contract market, and the fourth largest investment destination,³⁴ most of these engagements are seemingly designed in a way that does not yield African countries long-term economic advantages. Firstly, the RFI mode that China and African countries have gone into is not adequately anchored on technological transfer to African countries. Although China used this mode of financing to transfer industrial technology from Japan and other countries, most African countries seem more interested in seeing the erection of the actual physical infrastructure than in acquiring appropriate Chinese technologies for their own sustained economic development.

Also, there is very little China is doing to help African countries develop appropriate technology that can be used by the micro, small and medium enterprises and the small-scale farmers involved in productive activities. Despite African governments signing infrastructure and investment deals with China, most African entrepreneurs still lack basic financial capacity and small-scale and intermediate technologies to enable them participate

meaningfully in adding value to their own countries' resources. Instead, it is the Chinese multinationals that have dominated infrastructure development and the extractive industry. The expansion of the RFI loans to Africa enables Beijing to promote the expansion of its construction companies abroad while accessing strategic resources.³⁵ Although Chinese-financed projects in Africa employ Chinese machinery, this does not necessarily amount to technological transfer because no local capacities are being developed to enable Africans acquire skills and technologies.

The peripheral role played by Africans in Chinese projects adds to the problem. Most of the technical jobs in these projects are performed by Chinese workers, while African workers perform mainly functions such as loading and offloading, pushing of wheel-borrows and preparation of food at project sites, which do not enable them to acquire critical skills. Consequently, Africa is bound to remain dependent on China in the long term. This scenario suits China in both the short and the long term, as it is assured of a sustained dominant economic position on the continent.

Secondly, the degree of involvement of Chinese firms in Africa's infrastructure projects also signals the revolving nature of the Chinese project finances. The bidding process for the resource-backed infrastructure projects is devoid of transparency and competitiveness, with Chinese firms deliberately favoured. For example, in 2006, when the ExIm Bank extended a US\$4 billion loan to Angola for its post-war reconstruction in exchange for 10 000 barrels of oil per day, only 30 per cent of Angolan firms could be allowed to tender for the works, because of a condition in the deal which required that 70 per cent of the works be set aside for Chinese firms.³⁶ This is not only a technological transfer barrier, but an effective method of curtailing African enterprises from growing to a level where they could one day challenge the positions held by the Chinese multinationals on the continent. This view is in tandem with the argument by the famous international scholar and author on Sino-African relations, Chris Alden, who, *inter alia*, writes:

As an 'economic competitor', China is engaged in a short-term 'resource grab' which, like some Western counterparts, takes little account of local needs and concerns, whether developmental, environmental or with respect to issues of human rights. Coupled with Chinese manufacturing and trade wherewithal, this approach suggests that African development gains are being challenged, if not undermined by Chinese competitiveness.³⁷

Since most of the development projects are signed confidentially between the Chinese government officials and African leaders, Melber³⁸ is correct in

suggesting that, in most cases, resources deals between China and African countries tend to benefit China and its business accomplices at the expense of the ordinary people in the resource-rich countries, who continue to live under abject poverty and deprivation despite their proximity to precious resources. In Zambia, government security wings announced in mid-May 2015 that they were investigating the leakage of a state security document following a revelation by the country's leading independent newspaper, *The Post*, on 9 May, that the Zambian government had concealed a US\$ 192 million loan it secretly contracted from China to improve state security.³⁹ Zambia's President, Edgar Lungu, reacted by stating that government could not reveal how many guns it intended to buy. However, while the elite in the country's power structures could benefit from such secretive deals, the poor masses are left to endure the resulting socioeconomic deprivation.

Alden⁴⁰ has also categorised China in Africa as a 'coloniser'. This interpretation is based on the view that China's new engagement with Africa is a part of a long-term strategy aimed at displacing the traditional Northern orientation of the continent, by forging partnerships with African elites under the rubric of South-South solidarity.⁴¹ Alden further argues that once China has successfully dominated the continent, it could use its position to put African countries under Chinese control. In its new foreign policy, China has prioritised the need for raw materials to feed its buoyant industrial sector at home while searching for international markets. This particular set-up could rightly make some African states be seen as China's client states. Further, this justifies the neocolonial howls in the currently beleaguered Sino-African economic relations. This is in spite of China not having operated any colony.

Notwithstanding the above descriptions of China, Alden⁴² also understands China as Africa's 'development partner'. He explains this in terms of the various efforts by China, driven by its economic needs, to share with Africa and other developing countries its development experiences. In this respect, China has used bilateral aid to support Africa's social and economic sectors.

A continent whose underdevelopment has been blamed on its century-long exploitative interaction with Europe, Africa has found solace in Chinese investments and development aid. As at 2013, over 2 000 Chinese enterprises of varying sizes and economic persuasions were doing business in 50 African countries and regions.⁴³ They are mostly involved in mining, oil and gas exploration, construction, agriculture, manufacturing, resource processing, finance, commercial logistics and real estate.⁴⁴ Recent years have particularly seen an expansion of Sino-African educational and

cultural exchanges; the emergence of new business areas like financial services; increased investments in agriculture; and recalibrated long-term supply agreements for infrastructure to cover new social offsets not seen in deals hitherto.⁴⁵

KNOTTY QUESTIONS IN SINO-AFRICAN RELATIONS

In a nutshell, the question of whether the new Sino-African relations are 'win-win' or 'win-lose' can be summed up by a condensed reflection on the following issues, some of which have already been introduced in the preceding text.

TWENTY-FIRST CENTURY SCRAMBLE FOR AFRICA

Parallel to the eighteenth century scramble for Africa by Europe, there is a widely held view that China is seeking relations with African countries purely to exploit the abundant resources of the continent and feed its firms back home with the raw materials they need, with little or no interest in Africa's development. With this demand for raw materials in the home industry engaging into overdrive, China needs swift methods of material acquisition. For instance, as Teunissen⁴⁶ and Sieber-Gasser⁴⁷ observe, while the North will expect hard currency from its investments or loans, China is happy to accept alternative methods of payment such as the Angola Mode. Therefore, it is clear that China is extending RFI loans to African countries in order to expand its overseas construction companies and connect them to key resources.⁴⁸

A notable difference between the twenty-first century scramble for Africa and the earlier version is said to be the former's adoption of a 'soft power' strategy. The term 'soft power' was coined by Joseph Nye in 1990, when explaining the reducing importance of the use of 'hard (coercive) power' in the post-Cold War global order, and the rising importance of non-coercive tools of foreign policy to get others to want what you want.⁴⁹ In Nye's view, the attractiveness of a country's culture, political ideals and policies are important non-coercive (or soft power) instruments that it can use to obtain what it wants from the new international political and economic order.⁵⁰ Through the use of 'soft power', it is possible for a country to exploit another through attraction.

China has been accused of using this strategy to sign resources deals with African countries. Its foreign policy principles of mutual respect for

sovereignty and territorial integrity, mutual non-aggression, non-interference in another country's internal affairs, equality and mutual benefit, and peaceful co-existence, which appeal to most African countries, may be considered as 'soft power' crafts. The rapid establishment of Confucius Institutes across Africa by the Chinese Government has also been viewed as a 'soft power' strategy by some commentators. Zaharna et al.⁵¹ see the rapid spread of these institutes, whose mission is the diffusion of Chinese language and culture, as parallel to the cultural diplomacy of the North, whose institutions – such as the British Council, American Centre and Alliance Française – have, for decades, been used in promoting their countries' cultures and languages overseas. At the end of 2013, there were 440 Confucius Institutes in 115 countries and regions in the world.⁵²

While the RFI financing mechanism has helped African governments develop their infrastructure and created employment, concern has arisen not only because the true value of such resources is not well known, but also because the continent is losing the opportunity for value addition. This is making it difficult for the African countries to attain the far-fetched dream of economic diversification, leaving them as enclaves for raw materials, facing limited opportunities for sustained development,⁵³ leading to deindustrialisation, rising unemployment and poverty, while sustaining Africa's dependency on China. With regard to the new scramble for Africa, it has been observed that:

Africa is still paramountly an uncharted continent economically, and the withdrawal of the colonial rulers from political control is interpreted as a signal for the descent of the international monopolies upon the continent's natural resources. This is the new scramble for Africa, under the guise of aid and with the consent and even welcome of young, inexperienced States. It can be even more deadly for Africa than the first carve-up, as it is supported by more concentrated interests, wielding vastly greater power and influence over governments and international organisations.⁵⁴

As observed by Geda et al.,⁵⁵ another problem with the boom in Africa's commodity exports to China is that of the 'Dutch Disease'. With the economic rent from commodity exports, driven by the Chinese demand, the manufacturing sector in Africa faces stagnation. Ironically, African countries have resorted to importing from China what they should be producing locally.

UNFAIR TRADE PRACTICES

Some Chinese nationals stand accused of taking over certain economic lines preserved for the capital-starved and self-employment seeking locals in market stands. The selling of cheap Chinese goods has exacerbated the situation, thereby pushing out of business even those locals who had been allocated stands. Local producers of basic goods such as handcrafts, fruits and vegetables are facing stiff competition from Chinese nationals selling low-quality-low-price goods. Zambia's former Trade, Commerce and Industry Minister, Dipak Patel, pointed out this dilemma: 'Does Zambia need Chinese investors who sell shoes, clothes, food, chickens, eggs in our markets when the indigenous people can?'⁵⁶

However, this problem is not limited to Zambia. Elsewhere, it has been reported that China's competition on the African market is having some harmful effects on certain sectors. For example, in countries such as Lesotho, Madagascar, Kenya and South Africa, sectors like clothing have faced very stiff competition from cheap Chinese products, to the extent that some local firms have had to scale down their operations and lay off some workers.⁵⁷

Another emerging problem is that of reported dumping effects by China. Surely, as China continues in its economic top gear, and as the African countries continue to rely heavily on commodity exports, the new problem of South-South dumping is likely to take a more serious toll on the continent's industrial sector. Already, cheap Chinese goods could be killing the nascent industry on the continent. This problem is not limited to consumer goods alone, because Africa has also become an end user of both simple and sophisticated Chinese technology. Although one of the most deeply rooted attitudes towards technology in industrial countries is the belief that technologies are value free and transferable, and that they are associated with values only in the ways they are utilised,⁵⁸ one does not need to sleep on it. Clearly, some of the practices in Sino-African relations expose the weaker African economies to technological dumping effects and the nurturing of a Sino-dependency syndrome among African countries and peoples.

In countries like Zambia, Chinese investments have been accused of lacking transparency and fair play. As an opposition leader at the time, the now late Michael Sata accused the Chinese of having used corruption to acquire the Chambeshi Copper Mine and the Sinazeze Coal Mine. He also accused the Zambian government of dubiously giving Chinese investors in the mining sector a generous 15-year tax exemption, and of excusing Chinese-owned mines from performing any corporate social responsibility

activities,⁵⁹ when no similar incentives were extended to local and other investors.

LABOUR EXPLOITATION

China's economic operations in Africa have come into conflict with the labour movement on the continent on many frontiers. These range from poor remuneration coupled with long working hours to hazardous work environments and blatant abuse of workers' rights. With the increase in construction activities in Africa by Chinese firms, Alden reports the failure to substitute African workers for Chinese workers in the recent flurry of Chinese infrastructure projects across the continent, be they technicians, or un-/semi-skilled labourers, is an important oversight with economic as well as political implications.⁶⁰

The quest for low production costs seems to be the main motivation for this practice. The Chinese investors have, perhaps, discovered that it is cheaper to pay a Chinese worker in Africa than an African worker in Africa. According to one study, Chinese labourers are paid US\$1 a day in Angola (as well as receiving food and housing) versus the US\$3-4 that non-Chinese companies are obliged to pay Angolan labourers.⁶¹ China has responded to this observation by increasing the number of Africans employed by its business firms and construction projects, while complaints about low wages remain largely unattended to. In some cases, strange episodes of accidents and abuse of workers have been reported in Chinese-owned firms and projects.

Workers in Chinese-owned firms around Africa have complained of hazardous work environments and lack of occupational safety. In the DRC, Chinese mining companies have been found to violate both labour and environmental standards. In the mining region of Katanga, Chinese mines were cited for using child labour and for substandard health and safety conditions, forcing the DRC government to deport 600 Chinese nationals involved in the mining activities.⁶² In Zambia, similarly, Chinese-owned mines have been found culpable of endangering Zambian workers. An explosion at the munitions factory serving Chambishi mine, which killed 46 Zambian workers in April 2005,⁶³ is just one example.

NON-INTERFERENCE

China is accused of protecting totalitarian regimes and hurting human rights in Africa through its policy of non-interference in the affairs of other sovereign nations. In fact, some scholarly commentators hold the view that, under this policy, China is willing to establish cordial relations with any African country, regardless of its governance record. For this reason, China's presence in countries and regions such as Sudan and the Niger Delta, as well as its support to Zimbabwe, somewhat gives solidarity to bad governance on the continent. Some human rights activists have cited China's relations with Sudan and Zimbabwe as examples of how far Beijing can go in propping up unpopular leaders.⁶⁴

Casting doubts on China's commitment to the principle of non-interference, in some war-torn, resource-rich parts of Africa such as South Sudan, Chinese multinationals have been accused of financing the purchasing of military weapons, helicopters, vehicles and war jets for the government forces which have been used in committing crimes against humanity.⁶⁵ In 2007, Zhang Guoha, an executive director at the China Nuclear International Uranium Corporation (Sino-U), was allegedly kidnapped and later released by the armed group Niger Movement for Justice (MNS), on suspicion that the multinational was financing the government's military weapons used to suppress the Tuareg uprising.⁶⁶ A car bomb attack carried out by the Movement for the Emancipation of the Niger Delta (MEND) on 29 April 2006, which coincided with Chinese President Hu Jintao's visit to Nigeria and the granting of four oil drilling licenses to Chinese oil companies by the Nigerian government valued at US\$4 billion, was followed by a statement to media houses by the rebel group demanding the immediate departure of the Chinese companies from the Niger Delta.⁶⁷ These and other similar events in other parts of Africa have created an image among some Africans that China will balk at nothing to satisfy its economic interests in the continent.

On their part, African leaders pledged to uphold peace, security, democracy, good governance, human rights and sound economic management as conditions for sustainable development when they adopted the New Partnership for Africa's Development (NEPAD) in 2001.⁶⁸ In view of China's reported activities on the continent, this may remain a pipe dream.

CONCLUSION

Any fair comparison between North-South and Sino-African relations should show that, in both cases, resources play a key role. This chapter argues that Sino-African relations have had both good and challenging times. The period from the mid-1950s to the late 1970s, during which China actively supported the liberation struggle on the continent, reflects the very best days of 'win-win' relations between China and Africa. During this time, Africa got the support it required in its struggle for independence while China got the continent's support on the frontier of 'One China' policy. Africa also elevated China's significance on the global stage as a voice for the developing world.

However, as the chapter argues, the period from 2000 to date, during which Sino-African relations have been re-established with a focus on a business-like contact, has endured running commentaries as a period of divided opinion. During this period, Africa has derived economic benefits from the relationship mostly in the form of export opportunities, especially for its commodities, infrastructure development and foreign investment. However, Sino-African relations have also seen the emergence of certain neocolonial questions requiring answers. These emanate from the unfolding social, economic and political order that points to a new pattern of exploitation in which Beijing, as a Southern metropolis, is competing with the North for the resources of the African countries and for the marketing of its manufactures. On account of the evidence and arguments presented and the theories employed in this chapter, a conclusion is reached that the new Sino-African economic relations, although still largely 'win-win' at the moment, could soon plunge into 'win-lose' relations in favour of China.

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Brazil, Russia, India, China and South Africa (BRICS) and Africa

New projected developmental paradigms

Tukumbi Lumumba-Kasongo

INTRODUCTION

This chapter is a critical reflection on the dynamics of the Brazil, Russia, India, China and South Africa (BRICS) states' political economy and its implications to Africa's continuous effort to search for new developmental paradigms. Although it is theoretically and conceptually reflective, the arguments advanced are shaped by African cultural, economic, historical and political experiences.

The core questions are: What are the BRICS states specifically proposing to the existing world order and the global south in the areas of paradigms of economic and social development and systems of governance? What do these countries have in common? Can this commonality be instrumentalised and converted in favour of African progress? What is the ideological foundation of their solidarity? Within the pragmatism and ideology related to this solidarity, are the BRICS states proposing new development schemes from the failed old top-down, the 'free' and anarchical market-based, linear, and middle-class, one-fit-all model of social and economic development? The chapter addresses these questions.

EMERGENCE OF THE NEW ECONOMIES IN THE GLOBAL SOUTH

With the emergence of the new economies in the global south, I argue that there is no law of gravity or natural law that stipulates the claim that some countries will never grow and progress. As these countries are in the process of 'graduating' from their status of underdevelopment to a transitional phase towards the consolidation of their status of new emerging economies, some issues are being raised about the impetus and the origins of this new dynamic, and the nature of the relationship between the free market forces, the state and the society within global capitalist economy. Each of the BRICS countries still has a large proportion of its population that is

poor, unemployed and cannot effectively participate in the political process because they are considered to be politically disabled.

In 2001, Jim O'Neil, the former Chief Economist and Chairman of Goldman Sachs Asset Management at the London Office of the Investment Banking Group, in a research report paper entitled *Building better global economic BRICs*, coined the acronym BRIC to signify Brazil, Russia, India and China as the new fast-growing economic powers in the world.¹ In 2008, Mark Atherton predicted that, by 2050, the BRIC nations will dominate the globe.² Nearly 60 per cent of the total increase in world output from 2000 to 2008 took place in developing countries and transitional countries, half of which occurred in the BRICS, and their share of the world's gross domestic product (GDP) during the same period rose from 16 to 20 per cent.³

Based on the dynamics of the BRICS grouping and the movements of its members, it is argued that the emerging markets and economies in the global south, regardless of the ideological contradictions and internal structural political weaknesses among its members, implies that the business-as-usual approach in the practices of the institutions of international political economy and world politics is no longer the only pragmatic way of conducting business. These new political actors claim that the paradigms and the policies based on 'savage capitalism', which is extremely exploitative, as articulated by the old industrial powers, are responsible for the failures of the global political economy and their tragic social and environmental consequences.

Since the beginning of the twenty-first century, the dynamics of international political economy have been challenged by the ways nation states and people are reacting to the imperatives of such an economy, especially the new technical management style and new usage of the dominant social paradigms (technology, science and the free market). The demands on the states and other institutions to accelerate social progress the world over have intensified. These demands have been influenced by forces related to international and national judicial activism, civil societies, popular movements and states' reforms.

The law of colonial or imperialist vertical centre of gravity of power, which was conceived as 'natural', is being shaken. For instance, since 2010, China has become the number two economy globally, replacing Japan. In 2011, Brazil overtook Britain as the world's sixth largest economy. Brazil's objective is to soon displace France at fifth. And it is forecasted that India, the tenth largest economy as of 2011, will change its rank by 2020. In the next two decades, it is predicated that, with the exception of the United States (US), BRICS will replace France, Germany and, once again, Japan.

These shifts will have a significant impact on the African developmental paradigms.

Regardless of the perspectives that one might choose analytically, it is necessary to consider the nature of BRICS' solidarity as an important policy tool in Africa. The origin of this solidarity has to be examined structurally and historically within the dynamics of world politics. The dynamics are ideologically creating a hybrid transition in which there is neither a single entity with monopolistic power nor any state, individual, or corporation with hegemonic governance, with the authority and legitimacy to create any new linear order.

I argue that the shifts declared by BRICS through its summits and other meetings themselves will not and cannot guarantee that through the membership of South Africa, Africa as a whole would likely change her place holistically within the liberal world economy and the existing nature of the international division of labour. For BRICS' actions to be positively felt in Africa, there would be a need to first establish substantive political reforms prior to BRICS' policy implementation. For instance, if African nation states and people and their social agencies could transform their technically defined 'representative democracies' or 'illiberal democracies' into real, functioning social democracies in which people participate effectively in the political process, they can force their states' institutions and decision makers to take advantage of the new spaces in world politics and move forward.

Using a historical-structuralist approach with a comparative perspective, I raise an issue for these countries' methods of structurally conceiving and perceiving South-South relations; how they re-define politics, and how they deal with the old elements of the dominant social paradigms. These approaches put an emphasis on causal relations among the political actors and their systems.

Within the above approach and its philosophical assumptions and claims, the world is a system and an organic whole, whose behaviours are conditioned by the actors' locations and how they came to exist in the system. The actors and the subsystems do not act similarly. Their specific functions and attributes are conditioned by their locations within the system. The system is not just the sum of its elements. It is more than what is tangible. In order to understand why a system behaves the way it does, we have to interrogate the origins of its elements, examine the nature of the relationship among them, and discuss the nature of the interactions between the system itself and other phenomena within or around its larger environment.

Within the systems analysis, I interpret history as a changing phenomenon that is not predetermined by any circumstances or forces. I build my arguments in finding correlations between historical facts and the structures of the African contemporary society. Within the structures of the African societies, I put more emphasis on the political institutions or the states and their relations to Immanuel Wallenstein's world system.⁴ Furthermore, my interests in the historical causation of social phenomena and critical examination of their structures are shaped by social constructivism. Adler⁵, Fearon and Wendt⁶ take the social world of agreed-upon collective social values seriously in their analyses.

Another important feature of the world system since the end of twentieth century has been the movement of states and people's struggles toward their redefinition of themselves. This redefinition has been taking different forms and shapes in almost every part of the world. The substance of this redefinition and its significance depend on the dynamics of the local political configurations, who the actors are, what their alliances are, how a given people and state have become part of the world system, the location of these actors in the international political economy, and what they are bringing into the global market. This process of redefinition is facilitated by the means and forces of liberal globalisation.

Additionally, since the end of the twentieth century, the capitalist economy has been operating more forcefully toward the controlled dynamics of both regionalism and globalism. While capitalists at the regional level have tendencies to advance some national and cultural interests in the process of making their surplus or acquiring and protecting their capital, the globalists tend to see the world more from the perspectives of the so-called free market. Regionalism is more associated with geopolitics and history than globalism, which has claims and tendencies of promoting 'universalism' from a perspective of a world without borders. Regionalists are more sympathetic to protectionism. Furthermore, while capitalist regionalists accept the existence of other poles of influence in other parts of the world, the globalists tend to emphasise universal human values.

In May 2011, the World Bank published a report titled *Multipolarity: The new global economy*. According to the World Bank, emerging countries like Brazil, Russia, India, China, and South Africa will induce clear signs of change in the socio-economic power relations.⁷ Multipolarity is a measurement of the distribution of power concentrated in several poles, those poles being the great powers. BRICS are projected as becoming great powers along with the US and the European Union (EU).

On 14 June 2014, while many leaders were preoccupied with the World Cup in Brazil and the situation in Ukraine, the G77 summit took place in Bolivia. It celebrated the seventieth anniversary of non-alignment. This grouping now counts 130 members. Russia is being invited to join this organisation. Their final declaration called for a new world order, and supported the 8 Millennium Development Goals (MDGs). They also intend and plan to eradicate poverty by 2030. President Evo Morales of Bolivia went further and requested the suppression of the Security Council of the UN. In March 2013, in Durban, South Africa, the leaders of BRICS also agreed that the election for the next World Trade Organisation (WTO) Director-General should have a candidate from a developing country.

The South-South agenda is to project the creation of a multipolar approach to development. Multipolarity is about a system of multiple global and regional powers which exist simultaneously. It is about the dispersal of powers. A multipolar approach underlines the decentralisation of the world resources, their better management and their fair distribution. It calls for more people's participation in the reconstruction of their economies, which implies that it puts more emphasis on building communities rather than the 'idolatry' of individualism. Furthermore, it calls for the reconceptualisation and establishment of a new international partnership/cooperation based on the win-win theory.

A multipolar perspective to development implies the coexistence of several, equally used and respected spaces or locations of power with similar value systems. It can be advanced through dialogical relations between the subject and the object of learning. It calls for the development of social welfare and the implementation of and respect for the laws of ecology. This perspective is framed within four laws of ecology, which are: 'everything is connected to everything else;' 'everything must go somewhere;' 'nature knows best;' and 'there is no such thing as a free lunch'.⁸ Things do not happen in a vacuum.

HISTORY AND GOALS OF BRICS

In analysing BRICS' genesis, I identify the philosophical elements of its projected developmental model. Some people may view BRICS, as a global actor, as *sui generis*. Some think that it is as yet an 'unidentified political object'. How unique is it? And how much 'unidentified' is it in the world of states and international capitalism?

The history of BRICS states has to be located in the efforts of developing countries to try to build alliances and coalitions in order to confront oppression and underdevelopment. It has to be examined within the frame of the struggles of many members of the UN that have been trying to re-define their sovereignty and their capitalism. Through its summits, BRICS' main objectives, and the mechanisms through which these objectives were intended to be translated into policies, can be identified.

The visions of each of these states are also important, as they can inform us about the kind of political world and development they intend to produce. Vision is essentially a philosophical concept. It is an ideal concept in which one creates a plan for the self with a long-term purpose that ought to be beneficial to the collective self as well. In a nation state, there is no vision if its leaders do not know where they are taking the country and where the country is coming from. As a philosophical concept, vision implies futurism and progress.

In the past, various attempts were made by new, politically independent nation states located in Africa, the Americas, Asia and the Middle East, during the international relations and politics of the Cold War, to challenge the policies and politics of industrialised countries, which were considered negative political forces impeding progress from taking place in the former colonial countries. It is in the name of so-called free market dogma and free trade, as articulated by the WTO, that Western industrialised countries and the US still dominate the world economy.

The Bandung Conference, which was held in Indonesia in 1955, is the first remarkable point in which an official statement was made to voice collectively against imperialism and colonialism. It is out of the spirit of this conference that members of the UN promised to make a new political activism, which created the organisation of non-aligned states. Two major sponsors of the conference, India and China, are also the co-founders of BRICS. Despite the ideological differences among them, they thought that their common enemies were stronger than their ideological differences. Their peripheral locations in the dynamics of the global political economy and the vision of tomorrow led them to minimise their historical, cultural, ideological and political differences.

Although non-alignment, as a movement of the weaker nation states on the international scene, claimed to be ideologically neutral in world affairs, it was *de facto* an ideology in itself. It was articulating a collective way of thinking about world politics, which, during the Cold War, was shaped by enormous contradictions. Its strengths were demonstrated at the level of the UN General Assemblies but its weaknesses were expressed at the level

of the world economy's functionality and international security. Due to various national security imperatives and free market demands, many members of the Non-Alignment Movement allied themselves with the states that oppressed them. However, despite its weaknesses, it contributed toward the advancement of the concept of the global south.

The idea of the South can be traced to the 7th Special Session of the UN General Assembly in 1975, in which a resolution concerning development and international cooperation was adopted. Section V of this resolution dealt specifically with cooperation among developing countries. In 1978, the Special Unit for South-South Cooperation in the UN Development Programme was established by the General Assembly. Its primary mandate was to promote, coordinate and support South-South and triangular cooperation in the UN system and globally.⁹ In short, it should be noted that the concept of the global south has geographical, political, historical and economic connotations and meanings.

With Russia, a former superpower during the Cold War era, which is also geographically located in the North, as a co-founder of BRICS, what kind of South-South grouping is this new organisation? In December 1999, a group of countries known as G20, represented by ministers of finance and central bank governors, had first met subsequent to the Asian financial crisis. The meeting brought together the major industrialised countries, the EU and the representatives of the major developing economies.¹⁰ Brazil, India, China, Russia and South Africa were among the countries represented at the meeting. Former Canadian Finance Minister, Paul Martin, proposed the G20. His main goal was to set up a group in which members have solid functioning economies for cooperation and consultation on matters pertaining to the international financial system. However, he is not known for being a progressive leader.

Although the BRICS states were initially interested in talking about specialised investments, banking practices and new ideas about financial strategies to be used toward the advancement of their economies, the declarations from the BRICS summits reflect a broad agenda, which includes paradigm shifts from the old stagnated development programmes, and a new political orientation toward social progress and the nature of global power.

The main reason for creating this new club was based on an underlying perception that the economic crisis of the world would not be solved by the industrialised countries, which are also to blame as being part of the problem, as they have been advocating economic reforms with orthodox

austerity programs whose consequences led to the collapse of many economies and states in the global south.

At their annual summits, the leaders of the BRICS have been discussing the issues related to the status of the international economy and finances. As Cynthia Roberts indicated:

In 2006, as BRICS Mania gathered momentum, the four governments, at the initiative of the then former Russian President Vladimir Putin, collectively lifted themselves from the pages of investment reports to hold their first foreign ministers' meeting on the sidelines of the annual UN General Assembly session. After a second meeting of the four foreign ministers in New York in September 2007, the BRICS launched a consultative process at the level of deputy foreign ministers to foster regular contacts and multilateral diplomacy.¹¹

After the global financial crisis of 2008, the leaders of the BRIC states held their first summit meeting in Yekaterinburg, in Russia, and declared these goals: to achieve more influence in world governance forums; to contribute to improving the world economic situation; and, by working together, to reform international financial institutions. Their financial declaration called for the establishment of a multipolar world order. According to the Russian foreign ministry in 2008, active efforts by BRIC to reform the world financial system were some of the factors that led to a decision, at the G20 Washington Summit in November 2008, to include emerging economies in an enlarged Financial Stability Forum.¹² The second BRIC summit took place on 16 April 2010 in Brasilia; and the third in Sanya, China, on 14 April 2011, during which South Africa was invited to join the grouping. The final declaration of the 2011 summit supports what was indicated earlier:

It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS states with a total population of nearly 3 billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world. ... We are open to increasing engagement and cooperation with non-BRICS states, in particular, emerging and developing countries, and relevant international and regional organizations. ... Accelerating sustainable growth of developing countries is one of the major challenges for the world. We believe that growth and development are central to addressing poverty and to achieving the MDGs. Eradication of extreme poverty and hunger is a moral, social political and economic imperative of

humankind and one of the greatest global challenges facing the world today, particularly in Least Developed Countries in Africa and elsewhere. ... We review the progress of the BRICS cooperation in various fields and share the view that such cooperation has been enriching and mutually beneficial and that there is a great scope for closer cooperation and the further development of its own agenda. We are determined to translate our political vision into concrete action and endorse the attached Action Plan, which will serve as the foundation for future cooperation. We will review the implementation of the Action Plan during our next Leaders Meeting.¹⁵

The above declaration indicates the priority items and the projection of new perspectives to deal with economic development through the eradication of poverty, and not the old approach of alleviation of poverty. Another important dimension involves democracy.

In a one-day meeting (the Fourth Summit) on 29 March 2012, in Delhi, the leaders of BRICS – Dilma Rousseff of Brazil, Dmitry Medvedev of Russia, Manmohan Singh of India, Hu Jintao of China and Jacob Zuma of South Africa – discussed closer trade links and a new bank. The fifth BRICS Summit was held on 17 March 2013 in Durban, South Africa, under the theme ‘BRICS and Africa: Partnership for Development, Integration and Industrialisation.’ The outcome documents, known as the eThekweni Declaration and Action Plan, were adopted at the conclusion of the summit. The five leaders agreed on the establishment of:

- (a) a new Development Bank, with an initial capital contribution to the bank that should be substantial and sufficient for its effectiveness in financing infrastructure;
- (b) the contingent reserve arrangement (CRA), with an initial size of US\$100 billion – the CRA would help BRICS countries forestall short-term liquidity pressures and further strengthen financial stability; and
- (c) the BRICS Think Tanks Council and the BRICS Business Council – the BRICS Think Tanks Council will link respective Think Tanks into a network to develop policy options, such as the evaluation and future long-term strategy for BRICS.

On 15 July 2014, the five leaders’ meeting in Fortaleza, Brazil, agreed to locate their newly-established Development Bank in Shanghai (China), with a capital of US\$50 billion rising to US\$100 billion. This was conceived in

terms of lending policies and the role of the stakeholders as having an alternative perspective as compared to the practices and policies of the existing financial systems of the World Bank (with its US\$232 billion) and International Monetary Fund. The BRICS reiterated their proposition to create an alternative financial institution to the World Bank. At the same time, in its Delhi Declaration, BRICS agreed to expand the capital base of the World Bank and other multilateral institutions to ensure global economic stability.

It is important to compare and contrast some specific economic variables in order to have a sense of how BRICS would advance its envisaged 'multipolar, equitable and democratic world order',¹⁴ in spite of the major political, cultural and economic policy differences that remain among them.

A BRIEF COMPARISON OF ECONOMIC AND POLITICAL DIMENSIONS BETWEEN THE BRICS STATES

Some comparative trends are necessary to discuss what these states have or do not have in common. The imperatives of the world of nation states and those of their citizens, and their complex relationships, are still prevailing. While the world of states means sovereignty, national security, citizenry and well-defined territoriality, the world of citizenry means rights to life, which embodies all the cognitive liberties. BRICS claims to articulate a visionary state system that has to emancipate people toward these rights.

As of 2013, the BRICS group accounted for 26 per cent of the world's landmass, 42 per cent of the global population, nearly 28 per cent of the global economy and 40 per cent of the global GDP (\$18.486 trillion). Intra-BRICS trade is growing at an average of 28 per cent annually and currently stands at about \$230 billion.¹⁵ BRICS countries also have accounted for over 50 per cent of global economic growth in the last decade. However, BRICS is not yet known in African ministries of planning and development, let alone in the African business circles, rural areas and non-governmental sectors. It is hoped that South Africa will be able to bring the BRICS agenda to African political and economic debates through the African Union's (AU) activities, the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).

Economic position and its political involvement in international affairs determine much of a state's place and status in world affairs. The supra-national space that the BRICS states have, created functions in a world that is dominated by the imperatives of the neoliberal globalisation and their consequences in developing countries, such as large unemployment,

lumpen-intellectualisation, political instability and rampant poverty. At the same time, civil society is also consolidating itself, while democratic consolidation is zigzagging in many developing countries, despite some economic growth.

Brazil has come into BRICS with confidence, as a mixed economy with a strong state's interventionism in the factors of production. It has been developing an independent foreign policy since Lula. Brazil wants to become a global power. It has become the sixth largest economy, overtaking that of the United Kingdom (UK). Its trade has increased quickest with other BRICS states, as stated by Dwyer:¹⁶ 'In a single decade the BRIC states – Russia, India and China – have gone from being responsible for 3.42% in 2000 to 18.3% in 2010 of the total Brazilian trade with the world. Of special relevance is China, which now represents nearly 15% of Brazil's total foreign trade.'

In 2011, Brazil had the second-highest GDP per capita (US\$11 600), after Russia (US\$16 700), and a GDP of US\$2.284 trillion, after India with US\$4.463 trillion and Russia with US\$2.284 trillion. Brazil also had a gross national product (GNP) of US\$2 144 884 440 510, with a GNP per capita US\$9 390. Although, as of 2011, Brazil's GDP per capita was still a third of that of the UK, its economy overtook that of the UK as the world's sixth largest economy. It rose 2.7 per cent as compared to the UK's 0.8 per cent.

Brazil has about 20 per cent of the world's freshwater supply. It is one of the few countries in the world that is still able to increase its agricultural frontier. Research plays a major role in increasing agricultural productivity. It has a comparative advantage in growing and exporting food. Brazil is self-sufficient in energy production. The country's total commercial exchanges with BRICS, in million US dollars, between 1990 and 2010 gradually increased from US\$52 0755 in 1990 to US\$383 636 in 2010, more than any other country in the new grouping. BRICS as a percentage of all Brazilian trade has jumped from 3.42 per cent in 2000 to 18.3 per cent.¹⁷ Brazil has the ambition of becoming a superpower in South America, as well as a strong power within the UN system. With its large population of 203 429 773 in 2011, a population growth of 1.13 per cent and a growing middle class, Brazil has a large market for everything that its economy can produce.

China joined the WTO in 2001, after several years of probation. It has access to more resources associated with membership. Since 2010, China has become the number one economy in terms of quantitative output of both its export and import. It displaced Japan, which has become the number three. Both China's GDP and GNP of US\$11.3 trillion and US\$410 221 684 440 510, respectively, are the largest in the world. However, as of 2011,

its GDP per capita of US\$8 400 is smaller than that of Russia with US\$16 600, Brazil with US\$11 600 and South Africa with US\$11 000. China has invested heavily in Brazil and South Africa. In 2011, China became the largest foreign investor in Brazil.

In 2011, China spent more on industrialisation plus manufacturing (about 47%) than any other member of BRICS. (The second country was Russia, with 37 per cent, and India was the last, with 26 per cent; South Africa was close to Russia, with 31 per cent.) China's exports and imports in 2011 are larger than any country within BRICS, with US\$0.897 trillion and US\$41.664 trillion, respectively. Although its foreign investments are based on the cost-benefits related to capitalism, they are state based.

The Chinese ambition is to become the number one economy. Its power is reflected in its investments in the world, including in the old axes of power, the US and Western Europe. Almost every power is conducting business with China, as it offers cheaper labour, the market, and the determination of citizens and the state to progress. With its population of 1 336 718 015 as of 2011, China has a large reservoir of agents of change. Its security resources' needs, which are the combination of energy and strategic minerals, are higher than those of any country within the BRICS group.¹⁸

As of 2011, India had a GDP of US\$4.463 trillion and a GNP of US\$4 159 721 220 009, both higher than those of Brazil, Russia and South Africa. Its GDP per capita was lower than that of any country in the group, at US\$3 700, and its GNP per capita was US\$1 330. Indian total exports and imports in 2011 were US\$298.2 billion and US\$451 billion, respectively. Exports were higher than those of Brazil and South Africa, but lower than those of Russia and China. In the combined industrialisation and manufacturing, India and Brazil had almost the same amount of spending, at almost 26 per cent. In the area of development and research, India spends about 0.80 per cent, lower than South Africa, which spends about 0.93 per cent. It need not to be emphasised that more than 60 per cent of the Indian population is still characterised as massively poor.

South Africa is the smallest economy of all in the combination of GDP and GNP. For instance, its GDP and GNP were US\$554.6 billion and US\$517 926 210, respectively, in 2011, while its GDP per capita was US\$11 000 and GNP per capita was US\$6 090. However, South Africa has been doing better than Russia, Brazil in the areas of education and health, for instance, and better than India and China in the area of health. Additionally, South Africa is the world's fourth-largest source of gold and diamonds, and has more than three quarters of global platinum reserves.

BRICS' AGENDA FOR AFRICAN DEVELOPMENT

The BRICS states do have an agenda to challenge the policies and the structures of the existing systems, and the status of other countries that could also benefit from their 'protective' policies. However, the agreed upon regional policy framework and the political philosophy that constitute the foundation of this agenda are complex, as the BRICS states have not proposed a tangible and practical unified ideology to be used toward the actualisation of its policies.

In the world of global liberalism, the main questions would be: What are the best free trade practices or best preferential arrangements among the BRICS countries, which value fairness? How would their trade systems contribute to building democracies in Africa? How would the economic activities of BRICS – especially free trade relations, foreign investments, technological transfer and infrastructure construction contracts – through South Africa, reach the African villages and people, and transform their low production capacity, improve their management of rural resources and advance the needed sustainable self-sufficiency schemes upon which local economies can be built?

BRICS states are challenging a post-American unilateral world as well as a non-polar world articulated by the mid-sized economic and political powers. They are repeatedly calling for diversifying global services away from the US dollar toward a global currency, and have begun experimenting by using their currencies for regional commerce.¹⁹ It is through globalisation that this agenda is likely to be realised. However, it cannot be done through the existing neoliberal globalisation. There is still a need to reconstruct new globalisation paradigms in trade practices and in democratic governance, which should lead to more participation by BRICS citizens in the organisation's activities towards integrating the market into the economy and controlling the free market.

Through BRICS' claims, it is not clear what ideology they might pursue to promote multipolarity. There are also historical rivalries between some of them, and also conflicts due to their positions in the global system. China, for instance, perceives itself as the most important player in the global system, as it works toward challenging the US' place. South Africa perceives itself as a young respectable player with potential to play a solid role in world affairs, but has not been mature enough and has not acquired the wisdom needed in international relations except in Africa.

Brazil, India and South Africa are liberal democracies, while Russia is in a non-liberal democratic transition, and China is still socialist, with a market

economy based on Marxist and Maoist perceptions of world politics. The Chinese Communist Party works on the premise of centralised democracy.

Russia and China are more suspicious of the American-European power intrigues than Brazil, India and South Africa. Therefore, Russia and China project more the place of state sovereignty and national security thinking, in their attitudes and policies, than other members. However, all are strong nation states with their own national policy agendas, and all wish to change their political statuses in regional and international arenas. Although they share some common attributes and higher political and economic goals, the domestic, internal, social class conflicts, the manner in which labour organisations operate and how each state is responding to the demands of democratisation will challenge their good intentions.

The role of South Africa is determinant in the mobilisation of resources that can be used beyond South African national interests. Furthermore, the inclusion of South Africa, which has a smaller economy, may imply that the major players have some strategic interests to advance in Africa. Thus, this inclusion could be viewed more as a political move than simply an economic ambition. However, South Africa's Minister of International Relations and Cooperation, Maite Nkoana-Mashabane, stated: 'We will be a good gateway for the BRIC states. While we may have a small population, we don't just speak for South Africa, we speak for Africa as a whole'.²⁰ President Jacob Zuma recently stated that South Africa's and the continent's future prosperity is increasingly linked to the BRICS economies, and that the grouping is well placed to 'decisively assist in tackling our development deficits'.²¹

Obviously, South Africa is a smaller economy and smaller manufacturing within the grouping. But the national and regional demands on South Africa are relatively larger than in other countries. Although there is no survey made on how other African states would expect South Africa to perform, I can only anticipate that other countries would like South Africa to play a central role in investments, job creation, fiscal policies, free movement of goods and services, technological transfer, wage parity between men and women – all economic, commercial and financial activities that would be beneficial to other African economies beyond SADC. It is not clear how BRICS, through South African economic and political actors, will be able to integrate intra-African trade and economic development schemes – which operate through regional communities or organisations such as the Economic and Monetary Community of Central Africa (CEMAC), the Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), Common Market for Eastern and Southern Africa (COMESA), West African Economic and Monetary Union (UEMOA),

Arab Maghreb Union (AMU), and Mano River Union (MRU) – and positively transform their activities for the benefit of all.

I hope that South Africa will not be reduced to a dumping ground for cheap goods and services that would originate from the other power members. Although the issue of equal treatment of each member is alluded to in all of the BRICS declarations, as a nation state-centred organisation and its realism, its actions are essentially power based. It is through its democratisation that I hope BRICS can reach other African countries. As to the potential benefits that the whole African continent could gain from the BRICS, there is no concrete, strong data multilaterally to suggest that there is any correlation at the moment between their trade arrangements and policies and their redistributive capabilities of goods and services. At the level of bilateral relations, this kind of assessment is plausible.

CONCLUSION

Although the BRICS states now constitute Africa's largest trading partners and investors, the question of their political ideologies and regimes will determine how this grouping will impact Africa. It has to contribute to solving the unfinished story of the African, pan-African economy and pan-African governance. Currently, neoliberal globalisation and its policies have been the enemies of such a project. It is only through a pan-African political economy that poverty in Africa can be eradicated.

The BRICS' story is one of powerful institutions, and its perspectives are generally a combination of the top-bottom with a dose of decentralisation. To have a significant impact in Africa, BRICS' activities should be shaped and guided by bottom-up perspectives.

Finally, is BRICS only repackaging the heterodox policies of the 1980s and the 1990s? The answer is clearly 'No'. It strongly calls for shifts of paradigms in the realm of world power, and for a qualitative state's intervention in the management of the invisible hand of Adam Smith.

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PART III

Towards Another 'Great Transformation'

Thandika Mkandawire

INTRODUCTION

Crises can, like the hangman's noose, concentrate the mind wonderfully. They thus provide a propitious occasion for seriously rethinking past practices and for reflecting on future prospects. The current crisis of 'neo-liberalism' provides us with the opportunity to seriously rethink the world order, and the limits it imposes on nation states to pursue progressive and socially inclusive economic and social policies. It also leads us to a reflection on regional and global efforts of a world order that is in a state of disarray. The title of this chapter is unapologetically borrowed from Karl Polanyi, who argued that the self-regulating market 'could not exist for any length of time without annihilating the human race...'¹

THE FIRST GREAT TRANSFORMATION

The first transformation, alluded to by Polanyi, was a 'Great Transformation' from a past in which market exchange had only been an accessory to redistributive and reciprocated systems and was firmly embedded in the social matrix of the mores of society, leading to the emergence of the *laissez faire* order in which the 'invisible hand' held sway. The time span of this period is a subject of disagreement. Lindert and Williamson state that the period of globalisation was from 1820 to 1913.² Facilitated by the liberal onslaught on remnants of mercantilism, the dramatic decline in transport costs and the diplomatic and military demands of *Pax Britannica*, the new order of *laissez faire* spread quite rapidly around the globe. The new ideology argued that markets were nature's way of managing exchange in an efficient way, and that any interference in the workings of the market was not only artificial, but against the laws of nature, if not of God.³ Singularly driven by this *Weltanschauung*, the emergent economic order ripped asunder the social bonds between the market and society, producing great insecurity and social malaise.

THE SECOND GREAT TRANSFORMATION

Polanyi observed that, historically, society had reacted to defend itself against the ravages of the market and had sought to embed the markets in social relations. Hence, we had the interventionist policies that followed the first wave of 'globalisation'. Polanyi argued that this order provoked political pressures from society to counter the negative effects of the global market as 'losers', mobilised to protect their social rights or seek new ways of protection: 'For a century the dynamics of modern society was governed by a double movement: the market expanded continuously but this movement was met by a counter-movement checking the expansion in definite directions'.⁴ So, against this transformation, Polanyi posed counter-movements that sought to tame the market. This was an age of 'political backlash'.

Various social movements raised the 'social question' around the new economic arrangements, and indeed it was during this era that the Bismarckian welfare state was conceived. The more radical ruptures were the various socialist experiments following the Russian Revolution and, later, the fascist corporatism in countries such as Germany, Italy and Spain. The latter collapsed under the weight of war and the defeat the alliance suffered. The Soviet revolution was to be followed by other revolutions, most significantly the Chinese revolution in the post-war era. In Western democracies, varieties of welfare states emerged.

Christopherson suggested that the whole period between 1918/1920 and 1983/1985 was the phase of growth and expansion of the welfare state. Data on social expenditure apparently do not indicate a rupture after 1945.

Many developed countries emerged from the debacles of the Great Depression and war, with radically different views about what the role of the state in the economy should be. The Great Depression put an end to the simplistic equation of capitalism with free markets and ushered in an era of interventionist regimes that included National Socialism, fascism, New Dealers and social democrats. The end of the war ushered in the era of Keynesian welfarism, which, among other things, gave the state a major role in ensuring full employment, economic stability and economic growth. An import facet of this order is that, in the advanced countries, it produced, and allowed, the co-existence of varieties of welfare regimes, reflecting the different histories, political balance of forces and levels of industrialisation.⁵

It is important to bear in mind three facets of this period. First, it was accompanied by an international order that was crafted so as to allow sufficient space for nation states to prepare their social policies. Chastened by the disorders of an unregulated international order, they also set out

to design a new order that would facilitate economic exchange among nations while on the path of industrialisation. Some responded to the social upheavals in their recent past or across the border, and others to the exigencies of national building. This was achieved by re-embedding the market in the social relations with what Ruggie referred to as 'embedded liberalism'.⁶

The second facet is that, in terms of macroeconomic policies, the order provided a wide range of policy instruments that allowed many of the advanced countries to attain high levels of economic growth and full employment. The combination of the various instruments and the levels of coordination adopted in different countries allowed for the emergence of 'varieties of capitalism' and production regimes with quite distinct characteristics. One characteristic of this phase was the rapid economic growth that took place world-wide, with an annual average of 3.9 per cent as compared to 1.6 per cent in the period from 1820 to 1950. The developing countries also enjoyed high rates, which in many countries of the world have yet to be reached. Not surprisingly, the era has been felicitously described as the 'Golden Age of Capitalism'.⁷

The third facet was the resurgence of what was to be known as the Third World, whose clarion call of this new aspect of the global order was made at the Bandung Conference in 1955. The global reach of these efforts remained minimal, however. They definitely didn't travel well to the colonies and were thus confined to the metropolitan countries. Or, as Lindert observed:

(P)olitical backlash of the late nineteenth century and interwar period was absent in Asia, the eastern Mediterranean, North Africa, and even some parts of Latin America – partly because they were colonies of free traders, partly because of the power of gunboat diplomacy, and partly because of the political influence wielded by natives who controlled the natural resources that were the base of their exports.⁸

It was only with the wave of decolonisation that many countries were able to partake in the 'Golden Era of Capitalism'.⁹

DEVELOPMENT AND WELFARE STATES IN DEVELOPING COUNTRIES

For developing countries, the extant international order allowed varieties of development regimes, including a wide range of highly interventionist 'socialist' regimes. More significantly, it allowed the emergence of 'developmental states', most of which made the first attempts at industrialisation

that have been credited with spectacular performance in some countries. Most followed the strategy of industrialisation through import substitution. It also allowed a wide range of social policy regimes. At the national level, the quest for equity has been driven by social struggles for access to resources and by the political vision of nation-building and social cohesion. It has also been partly in response to international pressures, norms and debates. More specifically, for the new states under pressure to address the 'national question', once again varieties of welfare regimes emerged that included from minimalist states to highly interventionist communist governments.

A TROUBLED TRANSFORMATION

Unequal world

Despite its great success, that development model had weaknesses and stresses that were to show up more sharply by the end of the 1970s. It was also clear that, left to its own 'spontaneous' working, the existing international division of labour was not conducive to convergence among different nations, at least not at the desired pace, particularly as seen from the point of view of the South. The international order remained highly skewed and continued to reproduce some of the inequalities of the imperial order that had been shaken up by the two World Wars. It also remained highly polarised in terms of economic power and incomes. Terms of trade were biased against the developing countries. Indeed, it could be argued that the low prices for commodities remained one of the foundation stones of the 'Golden Age of Capitalism', as was clearly confirmed by the oil crises of the 1970s.

These inequalities provoked calls for a New International Economic Order, which was strengthened by the significant changes in prices of raw materials and the emergence of cartels such as the Organisation of the Petroleum Exporting Countries (OPEC) and the Intergovernmental Council of Countries Exporters of Copper (CIPEC). The North was forced to acknowledge, through the Brandt Commission, global interdependency, and for a while there seemed to be prospects of a significant change in the thinking around the global order.

Segmented welfare states in the periphery

The development model of the 1950s to 1970s had its downside. It failed to address a number of social problems. In most cases, there was no

employment creation to match the high rates of urbanisation the process had induced. At the time, the issue of growth seemed to have been mastered, so that what was thought to be missing was social policy. By the 1970s, it was obvious that the high growth rates of such strategies, while perhaps ensuring welfare for a few – the workers in the formal sector (or, more pejoratively, the labour aristocracy) – had failed to address the poverty of the majority in the rural areas and the rapidly swelling ranks of the 'working poor' in the informal sector.

Much of social policy remained highly segmented, despite the Universalist language in which it was couched. Workers in the large-scale formal sector and in government often enjoyed high levels of protection, while the majority of the labour force was employed under extremely insecure and often highly exploitative conditions. Furthermore, the model of accumulation led to greater income inequality. The International Labour Organisation (ILO) introduced 'basic needs strategies' (BNS), which had both distributive and employment implications. They also implied social policy that would universalise access to services that enabled citizens to meet their basic needs. The World Bank also proposed its 'growth with equity' strategies, which were much less explicit as to the underlying social policy.

At the rhetorical level, a number of governments accepted these new ideas. However, they increasingly argued that to meet the objectives of such policies at the national level would require a 'new international economic order' (NIEO). While the North insisted on 'Basic Needs' to deflect attention from calls for a new international economic order, the 'South' in turn wanted to turn attention away from internal failures towards the extant global order.¹⁰ This may or may not be true, but behind these positions there was the recognition that reforms both of the global order and internal conditions had to move in tandem.

THE THIRD GREAT TRANSFORMATION

Others have suggested that Polanyi tended to portray the process as a unilateral and one-sided one, failing to consider the reaction of the market and the possibility of reversals. The counter-movement that culminated in the 'embedded liberalism' of the post-World War intervention social order of the 'Golden Era of Capitalism' was often treated as an end point. The relationship between the market and society has, however, a pendulum-like motion. As Blyth argued, there was not one, but many 'Great Transformations'.¹¹ Polanyi did not foresee this counter-movement.

Although the Golden Age had prompted some to suggest that this marked 'The End of Ideology',¹² the counter-movement of neoliberalism was to challenge this order with one that gave the market primacy and sought to unshackle it from the many social and political constraints or 'distortions' placed on the market. In its turn, this counter-movement proclaimed its triumph in suggesting that there is no alternative and, even ominously, that we had now reached the 'End of History'.¹³

By the mid-1970s, the 'Golden Age of Capitalism' was coming to an end. The so-called 'oil crisis' was so construed as to suggest that it was a crisis of state interventionism and the welfare and the developmental states it had spawned. In the developed countries, it was argued that the many social demands, especially by labour, had produced the fiscal irresponsibility that had resulted in unsustainable financial problems. In contrast, the Left argued that the 'profit squeeze' created by the high social wages had undermined the competitiveness of business. In both cases, the welfare state stood accused. The Right, which gained electoral victories in the United Kingdom (UK), the United States of America (US) and Germany, called for the retrenchment of the state in their respective countries and forced the international financial institutions in the directions of neoliberalism.

The diagnosis of the crisis in the 'North' was transferred to the global 'South', where it was then claimed that state interventionism, especially in the form of industrial policy and import substitution industrialisation, was to blame for the crisis. An immediate policy conclusion was that state interventionism had to be reversed, the state cut down to size and the market set free. Social policy was among the first victims of these policies, and social protection was privatised, social provision commercialised and redistributive policies abandoned.

What followed was what Noam Chomsky has characterised as 'a particular form of globalisation, that has been instituted by state and corporate power, with primacy given to the rights of investors, financial institutions and so on, and with people being incidental'.¹⁴ This, as Blyth suggested, was a 'Great Transformation' that was not explicitly considered by Polanyi's account of the historical trajectory.

In this new world, there were neither classes nor countries that needed any special consideration. Indeed, for some, it also marked the end of the 'Third World' and many of its collective claims on the international scene. In terms of the global order, there was now the insistence that countries should succumb to the demand of globalisation.

In the more dogmatic formulations of globalisation, all good things flowed from it. Globalisation was said to lead to greater economic welfare,

undermined the bases of privilege at national levels, rewarded 'factors of production' according to their productivity, and allowed nations and individuals to fully exploit the respective 'comparative advantages'. It also freed individuals from the shackles of local tyranny and provincialism. In the axiomatic schema that informs this policy regime, it is not necessary to introduce specific measures to address issues of poverty or inequity. These were, of course, the same claims as those made for the first Great Transformation.

Ironically, the argument of the efficacy of the market order was said to have been East Asian economies, putatively pursuing market-driven, export-oriented strategies. Pinochet's neoliberal dictatorship provided grit for the mill for those who believed that the global market system was basically sound and provided adequate opportunities for any country open to trade. The new strategies clearly spoke against labour market legislation that would distort markets. It also argued for private provision of many services that the state had hitherto provided and urged user charges for any services that the state might provide. Most significantly, 'poverty eradication' was removed from the policy agenda. The axioms of the new policy dispensation ensured that not only would economies be more efficient, but they would also be dynamic and the dynamism would be widely shared. This was because the policies would be introducing a 'level playing field' by removing all sources of rent-seeking that are inherent to interventionism.

RESIDUALISATION OF SOCIAL POLICY

With respect to social welfare, the new ideology behind the new political order denigrated national ideologies of social change and demeaned social policy. More specifically, it suggested that notions of equity and social justice are both hopelessly old fashioned and 'ideological' or simply doomed to be swept aside by the force of the ineluctable force of globalisation. In this sense, globalisation either provided an excuse for those who would want to set aside the agenda for equity and justice, or served to demoralise or disarm those who sought to use national policies to address these issues.

Social expenditures were judged entirely in terms of immediate, fiscal or financial needs, while the long-term developmental implications were rejected or downplayed. In such a context, social policy has been largely relegated to the realm of 'distortions', to be tolerated if it is confined to lump sum transfers of a safety net type that do not distort markets. As for labour market policy, the new mantra was 'flexibility', which empowered

employers to hire and fire as they saw fit. We should bear in mind that, historically, some of the craziest schemes have been first tried in the developing countries. The first systematic attempt to weaken labour and do away with many social rights, in accordance with the new doctrine, was introduced in Chile under Pinochet. The Western neoliberals, some of whom made pilgrimages to Chile, were to spread the lessons to the developed capitalist countries. Innovations from Chile, such as the privatisation of pension reforms, have been exported to Europe.

One lesson from Chile was that the invisible hands needed help from the visible boots of dictators. The argument favoured the efficacy of authoritarian regimes in combating the population's myopic search for instant gratification. An economic crisis ensued, provoking new movements that demanded democratisation. Responses to the new economic crisis led to challenges to authoritarian rule and democratisation. The new order required that states implement the new policies without the encumbrance of politics. In most of the countries of the South, this message was driven through structural adjustment programmes (SAP), which have been the key instrument through which countries are expected to harness the benefits of globalisation by pursuing policies that 'open' their economies to global competition, foreign investment and technology.

Once again the market was to be detached from the social moorings that had given capitalism much of its post-World War II legitimacy. The disembodied market was now to subject everything to its logic of profitability and competition. Related to the 'free entry' and 'free exit' feature of the highly idealised market was the notion of 'free disposal' of goods that did not find buyers. And so labour once again was to be fully commodified – the notion of 'free disposal' produced millions of 'disposable people' that had no role in the scheme of things, except as reminders to those holding jobs that hordes of desperate hands were willing to step into their shoes should they make unreasonable wage or social demands. This new order called for informalisation and flexibility – euphemisms for the power of capital to hire and fire.

The first victim of SAP was the claims by states that they would intervene in the economy, not only to ensure economic performance but also certain social outcomes, such as equity and poverty alleviation. The poor man's 'welfare states' that post-colonial regimes had instituted became a target of both ideological and fiscal attack. On the ideological plane, whatever gains had been accrued to the workers in the formal sector were now seen as 'distortions' in labour markets, brought about by the activities of rent-seeking urban coalitions. Social expenditures were seen as straining the fiscus and as a source of financial instability. Together with the disappearance

of poverty from the policy agenda, came the disappearance of 'development' as something that state policies deliberately pursued beyond simply overseeing the spontaneous market processes. Earlier 'developmentalist' arguments for social policy as one of the key instruments of development simply disappeared. 'Adjustment' to the exigencies of a putatively highly competitive world market became the key word.

The crisis undercut both the BNS and the NIEO positions. The calls for a NIEO were undermined first by the collapse in prices of raw materials, and the weakening of existing and potential cartels, such as CIPEC and OPEC. On the ideological level, the triumph of neoliberalism simply ruled out any such global redistribution policies. It was undermined by the collapse of many postcolonial social pacts at the nation level.

Politically, the new programmes were given what some called a 'neoliberal populist' gloss by arguing that extant welfare regimes had been captured by narrowly based interest groups or patron/client networks, and that they were inefficient and exclusionary. A tendentious reading of the Asian experience was used to show that successful development demanded no social policy and that East Asia was a 'policy free zone', a point that has been challenged by the extensive literature on East Asian welfare states. Even more significant is that policymakers at the national level were at great pains to conceal whatever egalitarian inclinations they might have had. One simply ceased talking about equity and poverty, as this might scare the 'markets'. The need to 'signal' foreign capital further reinforced the persuasiveness of this ideological posture.

One should also add here the ideological shifts within the new African leadership, which was putatively better attuned to 'global talk' ('fundamental rights', 'good governance', 'market friendly', etc.) and thus much less encumbered by the populism that haunted their predecessors. Keen to gain international reputation, they were much less inclined to appeal to their own people.

GLOBALISATION OF SOCIAL POLICY

Globalisation is, of course, not new, as many historians have not ceased to remind us. If we understand globalisation as simply referring to more extensive, more intensive and accelerated forms of economic, cultural and political interactions among nations states, it is immediately clear that there can and there have been many variants of globalisation in modern times. It is, however, important to bear in mind that every global economic order has

moved in tandem with social policy at the national level, which has either countered or sustained or merely legitimised that order. The global order may set limits to which social policies are permissible, or simply impose social standards and policies on some nation states or allow nation states new opportunities. Obviously, these constraints, exigencies and opportunities of the global order are experienced differently by different countries at different times. In this process, there often are winners and losers, both among and within nations.

Nation states may, in their turn, introduce social measures that respond to the exigencies of that global order. The responses have generated, at least in the relationship between globalisation and social policy, the 'efficiency thesis' and the 'compensation thesis'. The 'efficiency thesis' suggests that globalisation demands competitiveness among all nations, which compels nations to seek to improve their overall competitive advantage and efficiency. This, in return, involves removal of many 'distortions' that have hampered the efficient allocation of resources according to the market principle, and a reversal of disincentives such as high taxes, labour costs and dismantling of all regulations of the market. The distortions include welfare subsidies, redistributive measures other than lump sum transfers, and any regulations that lead to protection policies, including those in the trade and labour markets. In the 'compensation view', societies would respond to the pressures on social welfare and social cohesion, engendered by the quest for competitiveness and efficiency, by taking collective measures that would entail increasing public expenditure or introduction of new protective policies to address the instability and insecurity induced by the vagaries of the unleashed market forces, or new redistributive policies to ensure social cohesion.

While the literature of the developed welfare states can be read to suggest resilience of the welfare state in the face of an incessant onslaught on its ideological and economic foundations, the literature on developing countries suggests that, at best, the quest for efficiency leads to a focus on the competitiveness and rationalisation of the production system. This put pressure on developing nations to remove regulations in the labour markets and finance, which have been part of the Keynesian welfare states and the developmental strategies of most countries of the South. As such, this quest for competitiveness leads to decreased welfare efforts and growing inequality.

Furthermore, given the absence or weakness of democracy, the pressures for compensation may be weak. However, this does not rule out the reverse process whereby the quest for compensation leads to democracy, as

happened in many Latin American and African countries in the 1980s and 1990s.

DIRE CONSEQUENCES OF THE THIRD TRANSFORMATION

In the developing countries, especially the many non-democracies, the situation was clear. It led to dramatic reversals of the social gains that the incipient welfare states had produced. It led to enormous suffering that prompted the United Nations Children's Fund (UNICEF) and others to call for 'Adjustment with a Human Face'. During this era, social policy was quite deliberately marginal and residual, aimed at legitimising the new liberal order by seeking to ameliorate the conditions of the more poetically salient urban groups. It eschewed any claims to universal citizens' rights and insisted on targeting the poor through poorly funded 'social funds'.

As in the North, the new order's deflationary and pro-cyclical policies led to the low growth order that produced the 'Lost Decades' in Latin America and Africa, and parts of Central Europe and Asia. This led to increasing inequality and poverty. Except for South-East Asia, growth rates in the developing countries were lower in the 1980s and 1990s than they were in the 1960s and 1970s. This lower growth was accompanied by greater inequality. It is therefore not surprising that the international community has, at every major gathering, talked about bringing poverty eradication back onto the agenda. At one of the G8 meetings, a cry was raised by protesters to 'Make Poverty History'. Indeed, at every one of these meetings, poverty received some passing mention, with lavish promises of aid having been made to aid the cause.

These new calls were to receive official recognition in the form of Millennium Development Goals (MDGs), which recognised the multidimensional nature of poverty and implied a much broader social policy agenda than the residual one attached to neoliberal policies. And yet there was a disjuncture between a normative discourse that recognised the multiplicity of dimensions of poverty and goals of development and analytical frameworks that position one institutional solution – the market – above all other social institutions and instruments. Furthermore, all these calls for bringing 'poverty back on the agenda' were made without fundamentally questioning the kind of thinking that removed it from the agenda in the first place.

TOWARDS THE FOURTH GREAT TRANSFORMATION

THE CRISIS OF NEOLIBERALISM

As indicated earlier, the counter-movement of neoliberalism challenged the prevailing order and gave the market primacy. For a while it was assumed that self-regulation expected from 'corporate social responsibility', or the instinct of the system for self-preservation, would replace the state. This has failed disastrously, not only in the financial sector, but in many others, including the social sector. That the neoliberal model produced unsatisfactory social and economic results was first given global recognition at the Copenhagen Summit, which was a major expression of a new quest for a 'Third Transformation'. More specifically, there were pressures to introduce a 'Third Great Transformation' in which, once again, the market – this time global – was embedded in social relations. Not much has happened, however. At the economic policy level, neoliberalism still held its sway.

If there were any doubts that the model adjustment was built on a dogma that crises were caused by government profligacy, the 'Asian financial crisis' exploded the myth. It exposed not only the formulaic analysis of causes of crises, but also the 'one size fits all' solutions to the problem. The crisis in Asia was caused not by government deficit, but by unscrupulous lending and borrowing by the private sector. The response of the international financial institutions (IFIs) was the standard mantra of retrenchments by the state, with the usual consequences of the massive suffering of the innocent. The crisis itself was attributed to 'cronyism' and 'bad governance', which allegedly had produced undercapitalised banks, a lack of credible means of contract enforcement and poorly supervised financial markets in Asia, with poorly veiled self-congratulatory moralising about how these problems did not prevail in Western financial markets.

In 2007/2008, there was the so-called 'subprime financial crisis', with its cataclysmic effects on financial markets, which led to the worst recession since the Great Depression. For a while it did seem that this crisis would finally put to rest the many myths of neoliberalism about markets and social policy. Quite remarkably, this seems not to have happened, except perhaps in the area of finance. Greater reliance on markets entails greater economic volatility of economies. This is presumably the price one pays for the benefits of capitalist dynamism and market allocative efficiency.

In the current order, however, the incidence of costs of such volatility is unequally borne. Firstly, the system has established a number of measures to bail out creditors and speculators, while innocent bystanders

remain unprotected.¹⁵ Secondly, while most of the developed countries have maintained key features of the welfare system, which has provided some measure of safety for its poor, most developing countries have been pushed towards austerity measures that would provide only tattered safety nets for no more than a handful of the affected citizens.

The fiscal response by European economies to sovereign debt has been retrenchment of the welfare state in order to solve the sovereignty debt problem. The economic slowdown is already having negative impacts on the recoveries of African and Latin American countries emerging from the 'lost decades'. The primacy given to the financial world was further demonstrated by the fact that, in response to the financial crisis, those institutions that had imposed policies which caused great suffering in many developing countries were further strengthened.

As would be predicted within a Polanyian framework, there is a counter-movement, which has ranged from neofascist movements, feeding on insecurity and marginalisation, to progressive clamouring for 're-embedding' or 're-moralising' the market. Calls for 'social consensuses', 'round tables', or 'national solutions' are cited as evidence for the desire for a new social arrangement. In terms of policy, we also see a rise of new forms of nationalism that re-introduced industrial policy, which surreptitiously provides support to national champions against international treaties, as they impose more restrictive immigration laws, for instance.¹⁶

A NEW GLOBAL DEVELOPMENTAL ARCHITECTURE

With the neoliberal model now in ruins, it is important to think of a new global order which will actually be built on, and will facilitate, social orders that are developmental, socially inclusive and democratic. Inertia and hysteresis mean that a number of institutions will continue doing what they have been doing all along. The effects of past practices will also be felt long after those practices have ceased.

We do not, as yet, have any global institutions that mobilise collective action against the disruptive consequences of globalisation, or that channel processes of globalisation towards what we all collectively deem desirable. The first task, therefore, relates to the creation of global institutions that would ensure that the commitments to justice, equality and democracy are translatable into global and national policies. It is important that these values also permeate these institutions, to avoid the bizarre situation where

fundamentally undemocratic global institutions claim to be promoting democracy in the South.

The second task involves intellectually and ideologically challenging the views and discursive practices that too often fetishised globalisation into some exogenous force that ineluctably imposes its laws on the human race. The technology that drives globalisation, the institutions that facilitate the movements of resources and the ideologies that sanction globalisation are all human. Globalisation is ultimately a human construct and perfectly amenable to human governance. As such, ideologies that inform the 'spirit of the time' matter enormously, for they shape our visions and the things we are willing to do to realise them.

The relationship between globalisation and social order is not unidirectional, with society passively responding to an ineluctable force. The global order that emerges at any given time is, in itself, the result of social action. Indeed, for all its apparently heterogeneity, globalisation is ultimately the consequence of human will and action. Although the neoliberal version is often presented as an ineluctable outcome of the forces of technology and competition, it is underpinned, sustained and promoted by deliberate policy measures pursued by governments and international financial institutions at their behest, or to their satisfaction. In a similar vein, it can be argued today that 'there cannot be an account of developmental states any longer without an examination of the global system and there cannot be an examination of the global system without an account of the developmental'.

Many of the new global gatherings, such as the G7, G8 and now the G20, are recognitions of the need for deliberate measures to manage globalisation – fully aware, perhaps not of the demands of development, but of its presence. For some, this management should be confined to ensuring more stable financial markets and for avoiding 'economic wars' that could easily bring the whole edifice tumbling down. Recent concerns with 'currency wars' are an example of these concerns. For others, this reflection is intended to steer policies in the direction in which they would serve the social objectives of more than a small part of humanity. The Brazil, Russia, India, China and South Africa group (BRICS) is a case in point. Rodrik has given a hint of the key aspects of such a world order:

A development-friendly international trading regime is one that does much more than enhance poor countries' access to markets in the advanced industrial countries. It is one that enables poor countries to experiment with institutional arrangements and leaves room for them to devise their own, possibly divergent, solutions to the developmental bottlenecks that they

face. It is one that evaluates the demands of institutional reform not from the perspective of integration ('what do countries need to do to integrate?') but from the perspective of development ('what do countries need to do to achieve broad-based, equitable economic growth?').¹⁷

During the last three decades, the denial of such an order has been pursued by such institutions as the International Monetary Fund (IMF) and the World Bank. For a while it appeared that the IMF part of the Bretton Woods institutions would be out of business, as many of the medium-income countries escaped its clutches by paying back debt and getting access to private financial markets where the financial crisis gave the IFIs a new lease on life. Increased funding was given to these institutions without any demands on them to radically reform themselves. Moreover, there is something suspect about a discourse on poverty eradication that refuses to take on issues of equity at both national and global level.

THE NEW SOCIAL ORDER

There is a rich history of 'catch up' and development, and also of the construction of socially inclusive welfare regimes that were preemptorily dismissed as disastrous or irrelevant by the neoliberal dogmas. This history clearly suggests the importance of a more permissive and stable global order for national efforts and the national capacity to plan for the future and strategically engage the world, as well as the importance of democratic institutions in translating material gains into social and economic rights. The new discourse on poverty is silent about the global order within which poverty has persisted and – in relative if not absolute terms – been magnified in many parts of the world. It was also silent about the international order that would be supportive of these efforts.

At the international level, there are frequent references to the need for institutional innovations to deal with globalisation. The commitment to poverty alleviation by the international community and the recognition of the existence of 'global public goods'¹⁸ imply global social policy which, in turn, will entail that supranational bodies embody global redistribution, global social regulation and global social provision.¹⁹ In a more prosaic sense, this will mean that global institutions must have the financial wherewithal for pursuing the global agenda. At the national level, social policy is anchored to monetary and fiscal policy. This, however, is not the case at the international level, although there are many useful ideas, including the Tobin Tax

idea, that have been suggested to provide institutions of global governance with the necessary means. Until questions such as how global social policy is to be funded are settled, pronouncements on global social policy will remain empty in the absence of financial or institutional resources.

BRINGING DEVELOPMENT BACK IN

Globalisation, from the 'development perspective', will be judged by its effects on economic development and eradication of poverty. Indeed, for the developing countries the litmus test for any international order remains whether it facilitates economic development. Such a view can be distilled from the many resolutions of South-South conferences, from positions of individual governments and from the common positions expressed by the governments of the South at international conferences. The new attempts to create new blocs such as BRICS are evidence of this quest.

Some, including the South Commission, have made the point that fast and sustained economic growth is an imperative for the South, and the calls for a 'development-oriented international system' have been loud. The Heads of State at the Copenhagen Summit endorsed this position when they declared 'the goal of eradicating poverty in the world, through decisive national actions and international cooperation as an ethical, social, political and economic imperative of mankind'.

To the extent, therefore, that globalisation undermines the nation-state – the quintessential space for social policy formation – it attacks one of the major pillars of industrialisation among 'latecomers'. The minimalist, historically unprecedented approach to the state and social policy goes against all experiences of rapid development, social change and poverty eradication. History suggests that 'late industrialisers' have been successful only when they defied the existing vast literature on the centrality of the strategic initiative by the state seeking adhesion into the global order. This has happened through the inducement by the states of actors to undertake activities that captured benefits of dynamic comparative advantage and externalities, as well as national objectives, such as full employment or economic development, without the danger of unleashing the 'market forces' against them. Prudent policy called for a shielding of the national economy from the turbulence and vagaries of the world economy. Gains from trade could be reaped only through deliberate policies that exploit the possibilities of dynamic comparative advantage. Such a view was true for economies putatively pursuing inward or outward economies.

ROBUST MACROECONOMIC INSTRUMENTS FOR SOCIAL WELFARE

One important lesson of the Golden Age is that macroeconomic policies, notably Keynesian ones, were closely associated with social policies, producing what has been termed the 'Keynesian welfare state'. In the developing countries, the macroeconomics of rapid growth and structural transformation was also related to social policies that focused on enhancing the productive capacity of the populations. Developing countries enjoyed policy space that allowed such instruments as control of capital flows – that were successfully deployed in many countries – reasonable stability, even as economies underwent rapid development. Most of these were taken away in the era of structural adjustment. One feature of policy in the developing countries has been its pro-cyclical nature. Countries are often forced to cut down expenditure in moments of crisis, either to meet their debt obligations or simply to comply with the deflationary policies of the IFIs. This immediately suggests a need for a compensatory mechanism to provide the necessary counter-cyclical official liquidity to developing countries negatively affected by external shocks.

The adjustments during the three decades after the 'oil crisis' exhibited many asymmetries. Within nations, the burden was unevenly borne, resulting in an increase in inequalities in some countries of the world. In most countries, the adjustments clearly favoured the financial sector and hurt labour. There were also asymmetries in adjustments among countries, with much of the structural adjustments implemented in the developing countries through deflationary policies, while countries such as the US and UK were allowed to accumulate huge consumer and sovereign debts, which produced the crisis of 2007/2008. It is important that the cost of adjustment to the crisis is not, once again, borne by the developing countries and, within these countries, by the majority of the population.

REGIONAL RESPONSES

Polanyi observed that while the *laissez faire* market was utopian, reforming the system posed the problem of disrupting the market mechanism and could thus produce economic and social crisis. In the context of globalisation, this eventuality is likely for small economies acting in isolation. It is, perhaps, not surprising that regional initiatives have been embarked upon for a collective protection from the vagaries of the 'world market'. The European Union's response to the financial crisis suggests that a conservative

liberal view, in which financial interests are paramount, lies at the heart of the Union's policy. The imposition of pro-cyclical deflationary policies on beleaguered member states, such as Greece, would thus seem to suggest the notion that 'social Europe' has yet to go beyond the level of rhetoric. Now, if this is true of the most successful attempt at regional cooperation, one doubts that other regional organisations could do better without tectonic ideational shifts and huge efforts at embedding regional integration into the social matrices of member states.

The Lagos Plan of Action was produced in the assertive spirit of carving out space in the global world that would provide African states with more policy space. It was, in a way, a form of addressing the emerging challenges of the international economic order. In the event, the world order that emerged and the individual national responses sidelined its agenda. But the urgency of its agenda cannot be denied in any Polanyian response to the ravages of socially disembedded markets.

ENHANCING THE CAPACITY OF NATIONS TO SAFELY ENGAGE THE GLOBAL WORLD

Social policy, like any policy, presupposes institutional capacity to formulate and implement policies. In a globalised world, the institutional capacities in question are ideally both national and international. There is, however, a disjuncture between the pursuits of global norms that assume the nation-states as ultimately responsible for their implementation, on the one hand, and globalisation processes that corrode the national capacity to fulfil those responsibilities, on the other, given the reduced ability of national governments to tax highly mobile factors of production.

Adjustment to a rapidly changing world has its costs, which are usually not shared evenly, both at the national and global levels. The management of such transitional costs is an important part of social policy. The lessons from Scandinavia are that, for small economies heavily dependent on trade, such protective measures – whether economic or social – provided the social and political anchoring for fruitful interaction with the world. In a number of papers, Rodrik insisted on this point.²⁰ Globalisation based on social disarmament is likely to provoke conflict and a backlash that may feed on the most reactionary and chauvinistic sentiments. While globalisation is accompanied by convergence at one level (for example, patterns of consumption and incomes of skilled labour), it also unleashes greater domestic divergence, which heavily burdens social policies and political energies. All

this has happened at a time when both the ideological shifts and the fiscal crunch militated against proactive social policies.

For those countries that consider the market outcomes of globalisation as unfair, or not adequate to address serious problems at the national and international level, the erosion of national capacities, and the absence of international institutions with the mandate and capacity to address global social problems, are sources of serious concern.

CONCLUSION

In conclusion, Polanyi²¹ pointed to how, in the absence of progressive responses to the market, society would respond through unsavoury means, including fascism and Stalinism. This is because how the 'market' is socially embedded matters, as is the society within which it is embedded. If the promise of globalisation is not to produce the nightmares of 'clashes of civilisations', nourish heightened senses of murderous ethnic, religious or local identities, or produce 'disposable people', then it is essential that the process of globalisation be deliberately and consciously harnessed to the achievements of poverty eradication, development and equity. It is incumbent upon those interested in these objectives to insist on a 'developmental architecture' which can manage the 'real world' economic relations at the global level, ensure democratic participation at the national level, and nurture systems of social welfare and security. This could be brought about through what the different 'Four Great Transformations' could contribute to the real dynamics of global evolution and how, from the actual dynamics, the world could move to a preferred dynamic.

There is no suggestion in this chapter that governments have been entirely deprived of the capacity to act on social issues. Rather, the point here is that both the compulsions of 'spontaneous' and planned global processes, and the absence of global institutions to manage these processes, set enormous hurdles in the process of equitable development and democratisation in the South. Globalisation, thus far, has been singularly insensitive to these burdens and needs.

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Neoliberal African Growth Narrative

Way forward

Yash Tandon

INTRODUCTION

To chart the way forward, I use the New Partnership for Africa's Development (NEPAD) as a 'window' to examine the prevailing 'African growth narrative', its inherent flaws and the way forward. NEPAD is the quintessence of neoliberal growth paradigm and provides us a good excuse to challenge the neoliberal economism that still remains the dominant paradigm in Africa. I propose that a 'Strategic Thought Group' (STG) could be set up to interrogate the NEPAD strategy. I suggest that the STG should go back to the Lagos Plan of Action (LPA) and the Abuja Treaty (AT). The LPA and the AT offered a far better paradigm than NEPAD. The LPA was hijacked by the World Bank and the 'donor' community.

Some might argue that these are outdated: the LPA was initiated by the African Heads of State and Government in 1979, and the AT was signed in 1991. I agree that the Plan and the Treaty cannot be applied in the detail in their original form. Times have changed. Nonetheless, their basic principles – especially the principles of regionalism and self-reliance – are still valid, and are far superior to the principles of neoliberal globalisation of NEPAD. The STG should look at the LPA and the AT and give advice on how they might be adapted to the present realities.

I argue that the risks of not interrogating the NEPAD strategy could be very serious, and I am not exaggerating. I have been involved in trade negotiations in the World Trade Organisation (WTO) ever since it was founded, and in the Africa-European Union (EU) Economic Partnership Agreements (EPAs) since the mid-1970s (almost 40 years' struggle against Europe). I can say from experiential knowledge that Africa is being re-colonised. I hope mine is not a lone voice. If there is a general sharing of this view, then the responsibility for 'rebooting' the African development strategy lies with the political leadership at the level of both the state and civil society. Relevant institutions could provide a home for rejuvenating fresh thinking in the political leadership of the African continent.

NEPAD'S NARRATIVE

NEPAD IS A TWO-HEADED ANIMAL

NEPAD was an attempt to chart out a growth strategy at the continental level.¹ It claimed its inspiration and legitimacy from the concept of the 'African Renaissance'. The initiative came mainly from top African political leadership.

If you study the constitutive document of NEPAD in its totality, it is difficult to escape the conclusion that it is really two documents in one. It is like a two-headed animal: the language of one is very different from that of the other. It is as if the two parts of the document – the first diagnostic and the second prescriptive – were written by two separate groups of people, working independently from one another.

There is very little either logical or conceptual link between the two. While the diagnostic section is reflective of a generally radical thinking, the prescriptive part is almost entirely from the text-book of neoliberal orthodoxy. Thus, for example, *the diagnostic part identifies imperialism (by name) and structural impediments to Africa's underdevelopment; while the prescriptive part ignores these categories altogether and proceeds to advocate deepened structural dependence on imperialism.* The mind and body are disembodied. The first part is visionary in the spirit of 'African Renaissance'; the second presents Africa as a slavish supplicant to the 'donors' and 'global capital'. NEPAD leaders appealed to the people for their support (paragraphs 53 to 56 of the NEPAD Constitutive Act), but the people were not consulted; academia and the African civil society were also not involved.²

BENDING TO THE WILL OF THE 'PARTNERS'

From this dualistic perspective, if one were to draw out the single most important issue that concerned the authors of NEPAD, it was MONEY – where is the CAPITAL going to come from for Africa's growth? NEPAD talked about 'self-reliance' and argued, repeatedly, that Africans must be 'masters of their own destiny'. It also said (paragraph 3) that 'the credit and aid binomial' had led to the 'debt deadlock', and 'instalments to rescheduling'. But then, in clear contradiction, it went on to say (paragraph 130) that Africa needed to secure more aid and more credit, and furthermore, that the 'bulk' of Africa's capital needs up to the year 2015 'will have to come

from outside Africa' (paragraph 147), especially in the form of foreign direct investments (FDIs).

How do you explain this glaring contradiction? Here is how: Global corporate company executives were telling African heads of state that on their TV screens they had seen civil unrest, starvation and economic disorder. Also, some companies found their assets nationalised or expropriated when political winds changed. In order to satisfy global corporate capital and secure their funds, African governments promised the Western 'partners'³ that they would 'put their house in order' in matters of economic and political governance. Among others, the following measures were taken to appease the investors:

1. Better FDI regulatory framework

A number of African governments introduced regulatory and other reforms to make their economies more attractive to foreign investors. Most of them allowed profits to be repatriated freely and offered tax incentives and similar inducements to foreign investors. Many of them concluded agreements with investment promotion agencies (IPAs) to link them with investors.⁴

2. Improved environment for trade liberalisation

Most African countries, even before NEPAD, had already joined the WTO. They observed their obligations under the WTO earnestly. By 2014, most of them had lowered their trade barriers against imports to a point where practically the whole of Africa suffered from massive destruction of their local industries, in return for questionable gains in attracting FDIs.⁵ Also, most countries were persuaded to negotiate Free Trade Area (FTA) agreements with the developed countries. The EPAs with the EU were often concluded against the background of trade sanctions and withdrawal of aid and investments from Africa.⁶

3. Structural adjustment programmes (SAPs)

African countries that faced economic and financial crises (and that means most of them) were obliged, in return for aid and investments, to pursue the International Monetary Fund (IMF) and 'donors'-imposed SAPs. These proved to be disastrous for African economies. Their outcome (and intention) was to align African economies to the demands of the donors and global corporations, and not to African national or regional considerations.⁷

4. Privatisation

In the early years after independence, many countries in Africa had nationalised important segments of the economic enterprises. In Uganda, for example, Milton Obote took a step in 1969 towards what he called the 'Move to the Left', which involved nationalisation, among others, of British banks. The British, with assistance from Israel and a part of the army under Idi Amin, overthrew Obote in 1971 and brought the country back to 'order' – the imperial order.⁸ Thus, even before NEPAD, African countries had come under increasing pressure to privatise their nationalised industries, on pain of withdrawal of Western aid and capital. After NEPAD, privatisation became a standard policy of practically all African countries. The net effect of privatisations has been to transfer African assets to foreign companies.⁹

5. Improved system of governance

Political events, disregard for rule of law and sanctity of private property, and other political-economic circumstances were perceived as hindrances to encouraging foreign direct investors. Following NEPAD, African countries responded by strengthening the rule of law, improving transparency and legal and support institutions, and 'better governance' as defined by the 'donors' and investors. Of course, rule of law is extremely important, but Africa must establish the rule for the sake of the people and not in order to please 'the masters.'

THE NARRATIVE OF THE LAGOS PLAN OF ACTION AND THE ABUJA TREATY

In contrast to NEPAD, the 1979 *Lagos Plan of Action for the Economic Development of Africa, 1980–2000* had put emphasis on self-reliance and African ownership of, and control over, its own resources.¹⁰ In its analysis of why Africa, despite its rich resources, was still poor, it said that the SAPs of the World Bank and the IMF were primarily instrumental in Africa's industrial demise. The LPA committed Africa to establish, by the year 2000, an African Economic Community in order to foster the economic, social and cultural integration of the continent.

Soon afterwards, the World Bank came out with its (in)famous 'Berg Report'.¹¹ This report presented an alternative scenario to the LPA. Africa, the Berg Report argued, need not despair about aid from outside. More would come, provided African governments were to make the necessary economic and policy adjustments. They had neglected the agricultural sector in preference to industries; that must be rectified. They had provided excessive

subsidies to urban dwellers; those must go. They had excessively intervened in the economy; they must give more free space to market forces. They had concentrated far too much on the internal market; they must go for export-led growth. And so on and so forth. Our leaders fell for this World Bank 'medicine', and the LPA was put in cold storage.

In 1991, African leaders met again to assess the situation, this time in Abuja. The resulting outcome was the Abuja Treaty. It recalled the '*Monrovia Declaration of Commitment on the Guidelines and Measures for National and Collective Self-reliance in Economic and Social Development for the Establishment of a New International Order*'. It also recalled the now abandoned Lagos Plan of Action.¹²

That was the last that was heard of the Lagos Plan of Action or the Abuja Treaty in the policy-making higher echelons of African governments. Africa soon drifted into aid- and foreign investment-dependent policies. The Berg Report trumped both the LPA and the AT. The illusion of aid and investment triumphed over the reality of Africa's underdevelopment by the forces of so-called 'globalisation'.¹³

SOUTH AFRICAN AND MAURITIAN EXCEPTIONALISM?

Despite statistical gimmickry¹⁴ that shows Africa's growth over the last decade as surpassing all other regions of the world, Africa is in serious economic crisis.¹⁵ However, every once in a while, some countries are cited as 'exceptions' to this overall gloomy picture. The World Bank and the IMF duo usually cite as 'exceptions' those countries in Africa that have followed their policy prescriptions.

In a book titled *Architects of poverty: Why African capitalism needs changing*, Moeletsi Mbeki argues that South Africa could become an exception to the general pattern if it were to redesign its capitalist strategies.¹⁶ He gives a historical account of how the Afrikaner bourgeoisie took over mining and agriculture from the English, and of the rise and fall of Afrikaner nationalism. Coming to the post-independence period, he is critical of Black Economic Empowerment (BEE), arguing that the 'BEE plutocrats' had siphoned savings from the private sector for individual enrichment and that BEE-type 'social democracy' was not an option for Africa. He argues that what South Africa needs is a 'China-type bourgeois revolution'.

In another book by Moeletsi Mbeki, Amedee Darga¹⁷ argues that Mauritius owes its success, among other factors, to the entrepreneurial and political skills of its leadership. He cites Mauritius as a 'rare example of success of

the Westminster model of governance'. Darga gives an interesting analysis of how the 'ruling elite' managed to defy the World Bank and IMF prescriptions to design a home-grown economic policy that carved out for Mauritius a niche market in the globalised economy. Being an island state, Mauritius had no choice but to work out its own place in a highly competitive world market. Politically, Mauritius, he says, is a 'social democratic' success story, achieved through a skilful negotiation of 'class accommodation'.

No doubt there are people in Mauritius who might have a different position from Darga's, as indeed in South Africa those who might find Mbeki's suggested 'Chinese style bourgeois revolution' an anathema. But they present some fresh ideas (outside the standard IMF–World Bank narrative) that need to be discussed. I broadly agree with both Mbeki and Darga, but have a slightly different take on strategic and tactical issues. However, I do not wish to engage in debate with them here, for I have ideas of my own, which I present below.

WAY FORWARD

As indicated in the introduction, I propose that relevant institutions should set up a *Strategic Thought Group* (STG) to interrogate the NEPAD strategy. It is my strong contention that NEPAD cannot work for Africa because it is *their strategy* (donor-imperial strategy) aimed at serving their objectives – *not ours*, not Africa's. The STG should go back to the Lagos Plan of Action and the Abuja Treaty, which were hijacked by the World Bank and the 'donor' community.

CHALLENGES TO REVOLUTIONARY FORCES AND REASONS FOR OPTIMISM

You might argue that the present political classes in Africa are not faithful to the ideals of Lagos and Abuja. These political classes include the governments in power; a large part of the senior bureaucracy; and a section of the private sector. I do not agree (see note 12 for an interesting debate in the South African Parliament in September 2000 on the ratification of the Abuja Treaty). I do believe that these political classes are not homogeneous. Not all those that work in the state are anti-pan-African.

There are two powerful forces that the political classes cannot ignore. The Berlin Conference 1884/1885 divided Africa. But after a century and

half of colonial slavery and struggles – from Algeria to South Africa – Africa has built a formidable and unshakable legacy of leaders like Nkrumah, Nyerere, Ben Bella, Lumumba, Obote, Kaunda, Sankara, Tambo and Mandela, among many others. With all their human frailties (and stand up those of you who believe they are ‘perfect’!), they left behind a rich legacy. Their legacy was energised by countless others who have died in the struggle as ‘unknown soldiers’.

This is the first factor that gives me hope that Africa can still generate leaders – even today – who are committed to the ideals of pan-Africanism. If they could produce the Lagos Plan of Action in 1979, they can produce another, even bolder, plan going forward.

My second reason for optimism is the rise of popular consciousness in Africa. The statistical gimmicks of the likes of the IMF and the World Bank (i.e. that Africa has surpassed other regions in ‘GDP’ growth) do not delude people any longer. People demand concrete results in terms of the improvement of their wages and well-being. The top political leadership is alienated from the people. They quote scriptures about ‘people’s welfare’ and ‘good governance’, but act at variance. The people – ordinary, street people – are not satisfied with their leaders’ rhetoric and, in many cases, utter cynicism. The students and the youth are in rebellion in the universities – and, if they have an opportunity, in the streets.

I understand the challenges African political leaders have faced since the mid-1980s – that is, since the ‘globalisation’ offensive by the West. But that should not have befuddled them; they should have stayed firm. The masses understand the weaknesses of their current leaders; for lack of a better understanding of a complex phenomenon, they attribute it simply to ‘corruption’. The spirit is willing, they say, but the flesh is weak. The lure of aid and investment is too strong to dismiss. The temptation to accumulate personal wealth – for the extended family and friends – is, alas, not easy to overcome. It takes the integrity of persons like Nyerere and Sankara to resist these temptations.¹⁸

This is the material and social-subjective reality. I recognise the challenges this poses to revolutionary forces. The problem, at its roots, is political, but I focus here on the economic. Economism was the defining idiom of the post-1985 period. ‘Globalisation’ is a simplification of a complex political-economic-cultural reality. I am in the midst of my research on ‘World War IV’, and my work has led me to the conclusion that while *economism* was the dominant ideology of the 1985-2000 era (the Thatcher-Reagan era), now, post-9/11, it is *militarism* that provides the ruling ideology.¹⁹

SOME CONCRETE MEASURES FOR CONSIDERATION

1. Africa should go back to the Lagos Plan of Action and the Abuja Treaty. These were hijacked by the World Bank and the 'donor' community – the so-called 'partners'. Some might argue that the LPA and the AT are outdated. I agree that they cannot be applied in the detail in their original form. Times have changed. Nonetheless, their basic principles are still valid, and are far superior to the principles of neoliberal globalisation. The Strategic Thought Group I have proposed might look into how the LPA and the AT might be adapted to the present realities, as indicated earlier.
2. There should be no 'open door' policy towards 'free trade' and FDIs in general. These might be allowed as and when required, by national consensus between the government, the local (not foreign) private sector, the workers, small farmers, and other organs of civil society. The FDIs must operate under certain nationally determined conditions (for example, limited access to domestic savings), and they must conform to certain performance requirements (for example, effective transfer of technology and managerial know-how).
3. Our political leaders should take heed of the financial crisis in the North and acknowledge that the North is taking measures to protect national economies from global shocks. What reason do we then have in Africa to continue to hoist our flag to the banner of failed globalisation? None. We must challenge our intellectuals to work out concrete steps towards alternative ways of organising the financial infrastructure in Africa. This should include an African Central Bank and an African single currency. Without these, Africa is subject to policy control from outside.²⁰
4. We live in the early stages of what I identify as World War IV. Africa is going to be the 'playing ground' (an unfortunate expression) of proxy wars between the principal protagonists in this war – in the early stages, the North Atlantic Treaty Organisation (NATO) and Russia (as in Ukraine); and as the war unfolds, NATO and China. Africa, with its mineral resources, will be (in fact has become) the theatre for 'resource wars'. The STG should look at the geopolitics of the contemporary world in all their manifestations, and the dangers they pose to Africa.²¹

5. Bereft of high-sounding principles about 'free market' and 'reciprocity', the EPA that most African countries have signed with the EU is about Africa's resources. And so are the various bilateral investment treaties (BITs) that Europe and the US want African countries to sign. EPAs will hang like a millstone around Africa's neck. We have signed them, but utmost care must be taken when it comes to their implementation. Signing and implementing are two different things. As for the BITs, Africa must not sign them.²²
6. As for NEPAD, it might be opportune for its high officials and member states to review its objectives and development philosophy. NEPAD should change to NEPPAD – *New Economic Partnership with People for Africa's Development*. It should become a people-centric (not 'partner'-centric) project. Secondly, NEPAD appears to be focused on technical and fundraising issues. For example, its July 2014 'Newsletter' mentions mitigating impacts of climate change on women-led agriculture; mobilising funds from bilateral partners for nursing and midwifery graduates in Mozambique; supporting Uganda to raise US\$27 million to fight toxins in agricultural products; etc. Once the STG I have proposed has reported, NEPAD (NEPPAD) should become a 'strategic think tank', leaving technical and fundraising issues to regional and national agencies.

In conclusion, Africa is facing a leadership crisis. The wisdom and experiences of leaders such as Nkrumah, Nyerere, Kaunda, Obote, Lumumba, Sankara, Tambo, Sobukwe and Nabudere have been trumped by the seriously flawed economic therapy of neoliberal economists. In a helpful spirit, may I suggest that relevant institutions work closely with the Dar es Salaam-based Institute of African Leadership for Sustainable Development – the Uongozi Institute.²³

NOTES AND REFERENCES

- 1 For a historical background to NEPAD, see Adedeji, A., 2002. From the Lagos Plan of Action to the New Partnership for Africa's Development. In Anyang' Nyong'o, P., Ghirmazion, A. and Lamba, D. (ed.), 2002. *New Partnership for Africa's Development, NEPAD: A new path?* Nairobi: Heinrich Böll Foundation.
- 2 The reaction, then, from African civil society – at least the more radical section of it – was not very positive. One of these is the Bamako Declaration, passed

by participants from some 200 social movements, organisations and institutions from 45 African countries that met in Bamako, Mali, from 5 to 9 January 2001 in an African Social Forum. The relevant paragraph reads as follows: '*The Forum rejected neoliberal globalisation and further integration of Africa into an unjust system as a basis for its growth and development.*' (Italics added) In this context, there was a strong consensus against initiatives such as NEPAD (New Partnership for African Development) that are inspired by the IMF-WB strategies of Structural Adjustment Programmes, trade liberalisation that continues to subject Africa to an unequal exchange between its exports and its imports, and strictures on governance borrowed from the practices of Western countries and not rooted in the culture and history of the peoples of Africa.'

- 3 I put the word 'partners' in inverted commas because historical and contemporary events show that the Africa-Western relationship is (and has been) asymmetrical, unequal.
- 4 At the international level, 37 African states are now members of the Convention Establishing the Multilateral Investment Guarantee Agency (and seven are in the process of fulfilling their membership obligations); 42 are signatories to the Convention on Investment Disputes between States and Nationals of Other States; and 26 to the Convention on Recognition and Enforcement of Foreign Arbitral Awards. Fifty countries have concluded bilateral investment treaties (BITs) aimed at protecting and promoting FDI, and 41 have signed double taxation treaties ... The Multilateral Investment Guarantee Agency (MIGA) carries out assessments of institutional capacity for a large number of countries, primarily through its Promote Africa field functions, and assistance for them to formulate effective strategies for attracting FDI.
- 5 I have written extensively on this, but, in our times, it is better to quote a Western authority, so see Erik S. Reinert, *De-industrialisation in Sub-Saharan Africa: Myth or Crisis?* Also see Reinert, E.S., 2007. *How rich countries got rich ... and why poor countries stay poor*. London: Constable. Reinert has strong credentials as a 'partner in solidarity' with Africa.
- 6 For a detailed analysis of this, see Tandon, Y., 2015. *Trade is war*. New York: OR Books.
- 7 In the 2013 edition of the *Economic Report on Africa* (ERA 2013), the Economic Commission for Africa (ECA) and the African Union Commission highlighted the failings of the SAPs, finding that the policies 'did not raise productivity, boost manufacturing export performance or enhance value addition.' The report argued that SAPs hurt technological capability and skill: 'Today, the weak African industrial structure still has to move out of the shadow of those interventions – a task made more onerous by the new international context.' (<http://www.uneca.org/publications/economic-report-africa-2013>.) In 2011, the ECA

noted that in the SAPs era, Africa recorded the lowest growth rates in its post-independence history. According to recent World Bank reports, the continent's average annual growth rate declined from 4.7 per cent in 1961–1970 to 2.7 per cent in 1980–2000, before rising to 4.6 per cent in 2001–2012. The negative impact of the SAPs was particularly visible in the manufacturing sector, whose share of aggregate output continued to decline from its peak level in the 1970s throughout the 1980s and 1990s and beyond.

- 8 I speak from personal knowledge. I was one of the authors of the *Common Man's Charter*, initiated by President Obote, that was the basis of the 1969 *Move to the Left* which led, in quick succession, to the British-Israeli military ouster of Obote in 1971.
- 9 In a paper presented at the 9th International Anti-Corruption Conference (IACC), Durban, 9–15 October 1999, titled *Privatisation in Africa: A critical analysis*, its author, Oumar Makalou, President and Director, Centre of Studies and Research for Democracy, Economics and Social Development (CERDES), Mali, said the following: 'In the first part of this paper, we stated that the essence of privatisation is the total or partial transfer of the ownership of a State Owned Enterprise (SOE) to the private sector. The change in ownership may be one of the most difficult decisions to be taken by any government. It is about Power. Generally, power sharing is difficult. To voluntarily relinquish the State ownership on the "Jewels of the Crown", the State property (*le patrimoine de la Nation*) is "selling the family silver" to foreigners, and concentrating economic power in their hands, including enterprise closures, layoffs, orphaning of social assets'. Available at: http://9iacc.org/papers/day1/ws1/d1ws1_omakalou.htm [12 February 2014].
- 10 African governments met in Lagos in 1979 to consider the deteriorating situation in Africa. From a food self-sufficient continent, Africa, following a prolonged drought that hit the Sahel at its worst between 1968 and 1973, had become a net food importing country. Despite two decades of donor assistance, growth in Africa had more or less stopped and the social conditions in most countries were worsening. African leaders, in this context, considered that the only way left to them was to pull themselves out of their predicament through their own efforts. They set the year 2000 for achieving an 'African Economic Community so as to ensure the economic, social and cultural integration of our continent'. See Organisation of African Unity, 1980. *Lagos Plan of Action for the Economic Development of Africa, 1980–2000*. United Nations Economic Commission for Africa, April 1980.
- 11 I have written on the subject, but suggest to the readers the review done by Guyer, Williams and Loxley. See: World Bank (The Berg Report): Accelerated development in sub-Saharan Africa. *Review of African Political Economy*, 10(27/28), pp.186–204.

- 12 The Treaty Establishing the African Economic Community (Abuja Treaty) was adopted on 3 June 1991 and entered into force on 12 May 1994. The treaty has been signed by all member states of the Organisation of African Unity (OAU – now African Union [AU]), except Eritrea. South Africa signed the treaty on 10 October 1997. The treaty still had to be ratified by nine member states, including South Africa. For an interesting debate in the South African Parliament in September 2000 as to whether the Treaty should be ratified, see <http://www.pmg.org.za/minutes/20000919-abuja-treaty-establishing-african-economic-community-ratification-0>.
- 13 African leaders were led to believe that globalisation was like gravity – a ‘law of nature’. In truth, globalisation was never an inescapable ‘reality’ as it was presented by the World Bank, the IMF and the ‘donors’. It was always part of the neoliberal ideology of the Empire.
- 14 See Fioramonti, L., 2014. *How numbers rule the world: The use and abuse of statistics in global politics*. London: Zed Books.
- 15 See *Economic Report on Africa* (ERA 2013), the Economic Commission for Africa, cited earlier. Essays in this volume also deal with this issue.
- 16 See Mbeki, M., 2009. *Architects of poverty: Why African capitalism needs changing*. Johannesburg: Picador Africa.
- 17 Darga, A., 2011. The Mauritius success story: Why is this island nation an African political and economic success? In Mbeki, M. (ed.), 2011. *Advocates for change: How to overcome Africa's challenges*. Johannesburg: Picador Africa.
- 18 See the series produced by a Swiss solidarity organisation called CETIM. They have produced small ‘booklets’ on a number of pan-African leaders who fought for Africa’s independence and tried to build a self-reliant united Africa. The younger generation might have forgotten them. The one on Nyerere is also published by Mkuki na Nyota, based in Dar es Salaam – still standing as a rare specimen of an independent pan-African publishing house.
- 19 See my blog, posted on 30 March 2014, on *How might Africa and the South position themselves in the Cold War II*. Available at: <http://yashtandon.com/how-might-africa-and-the-south-position-themselves-in-the-cold-war-ii/> [Accessed 30 September 2015].
- 20 I have written on what I call ‘the Nilo’ as an African currency, and the interim phases Africa might travel before realising this vision. I presented these ideas in a paper, *First steps to creating the ‘Nilo’ currency for Africa*, at a symposium held in November 2012 at the Cheikh Anta Diop University, Dakar, Senegal. The papers of this symposium are edited by Demba Dembele and will be published, supported by a grant from the Karibu Foundation.
- 21 I believe that our political leaders are drifting into fighting proxy wars – like in Somalia, the Sudan, Mali, the Central African Republic (CAR) and Arab North.

- 22 In March 2013, the Southern and Eastern African Trade Information and Negotiations Institute (SEATINI) plus 20 other civil society organisations made a petition to the East African Parliaments, cautioning them against signing or ratifying the EAC-US Trade and Investment Partnership (TIP) Agreement. The US is pushing similar agreements on Europe too. There, too, civil society organisations are fighting against the signing of these agreements.
- 23 I was a participant at the inaugural 'Africa Leadership Forum' in July 2014, in Dar es Salaam, organised by the Institute of African Leadership for Sustainable Development – the Uongozi Institute. The meeting was called by the former President of Tanzania, Benjamin Mkapa. Among the participants were four former African heads of state, former ministers of state, heads of international organisations, and some representatives from the private sector and academia. I was impressed at the candid, and often self-critical, approach of the former rulers of Africa present there. A past prime minister of Tanzania told us about the dismal performance of African ministers of finance that attended the annual meetings of the World Bank in Washington. They had, he said, 'no analytical capacity'. They came with 'no proposals', even on the financing of their own countries. They simply sat and listened.

INCLUSIVE DEVELOPMENT IN AFRICA

TRANSFORMATION OF GLOBAL RELATIONS

This book addresses a fundamental developmental challenge for Africa: given all that we know about pertinent issues, what should be done to ensure effective development in Africa? The changing imperatives of international development, the reform of international finance institutions and the growth-development nexus debates as well as varied implications for Africa emanating from global economic crises are critical if Africa's development is to be better understood. Undoubtedly, revisiting the origins, contexts, complexities and contradictions of the lopsided global order and their effects on development and implications for Africa's development is necessary. Contributions emphasise the need to radically transform global relations and to accelerate the pursuit of our quest for inclusive development in Africa; acknowledging that we must further problematise Africa's development in the context of the obtaining global power dynamics and systematically examine the implications of the global economic crises for women as well as for land and agrarian reforms. The book is a timely contribution to our understanding of the global realities confronting Africa, with specific suggestions on how to improve development.

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